



The limitations of holiday insurance p7

Steaming through Rajasthan p9

BRITISH INDUSTRY The wave of summer bids p14 THE POP MUSIC INDUSTRY p15 Can Frankie go to Hollywood?

p12 Preview of the Edinburgh Festival

MONTE CARLO, ATHENS, LISBON From our own correspondent p11

WORLD NEWS RN dockyard job cuts accelerated

The Defence Ministry is to accelerate job cuts at Royal Navy dockyards at Devonport and Rosyth, Fife, in the run-up to offering dockyard refit work on naval vessels to the private sector and British Shipbuilders. The Ministry said yesterday that 400 of Devonport's 13,500 civilian jobs, and 115 of Rosyth's 8,000, are to go by April. Devonport was originally due to lose only 200 by then.

Bonn upset at Tornados

West Germany is upset at the planned sale by Britain to Saudi Arabia of 40 Tornado combat aircraft. Page 2

Egypt warns Iran

Egypt warned Iran that its ships would be banned from the Suez Canal if it was proved to have been responsible for mining the Gulf of Suez. Page 2

Dialogue defended

East Germany's Communist Party newspaper published a defence of dialogue with the West, as Moscow stepped up its attack on closer links between East Berlin and Bonn.

Heseltine raps Labour

Defence Secretary Michael Heseltine said a "sellout of British interests" Page 3

Policeman shot dead

A police detective escorting a cash delivery to a post office in Co Meath, Ireland, was shot dead in a £200,000 raid. Police suspect the IRA.

Wave kills seamen

Two seamen were killed and four badly hurt when a freak wave hit a Royal Fleet Auxiliary oil tanker in the South Atlantic, the Defence Ministry said.

Arms supply resumed

Nicaragua's government has this year resumed shipments of arms to left wing insurgents in El Salvador. Latin American diplomats said.

Race riots near Boston

City officials in Lawrence, 30 miles from Boston, are considering a curfew after two days of street violence between whites and Hispanics.

Macau to vote

Macau's mainly Chinese population will vote next week for the first time. The Portuguese territory, near Hong Kong, is to return to China eventually.

BUSINESS SUMMARY Australia in steel accord with China

CHINA and Australia signed an iron and steel co-operation agreement. An iron ore mining venture north of Perth involving the Rio Tinto-Zinc subsidiary Hamersley Iron, might be the first joint initiative. Back Page

OIL: The Government last week secretly urged oil companies

with UK interests to shun up Europe. Spot price for key North Sea crudes has risen \$2 since 10 days ago. Back Page

FT Industrial Ordinary index rose 19.2 to 846.3

Investment confidence, lifted by trends in U.S. financial markets, was

boosted further by the second cut this week in clearing bank base rates, prompting a surge in gilts. Page 20

EARLAND AND WOLFF, Belfast shipbuilder, is in line for a £36m repeat order to build a bulk carrier for British Steel Corporation

This week the company won a £75m contract from British Petroleum. Back Page

KEMP, MITCHELL, a stockbrokering firm under investigation by the Stock Exchange since it was suspended from trading two weeks ago, is to close next month. Back Page

PORTUGAL: Authorisation for foreign banks to open branches is being delayed for a few weeks while a Portuguese company's application for a banking licence is considered. Page 2

BRITAIN'S recovery rate is slowing according to the latest regional economic survey by the Chambers of Commerce. Page 3

INFORMATION technology: Universities and industry were sceptical about Government suggestions for a private sector institution to tackle a shortage of computer specialists. Page 3

METAL BOX is closing its Clapton car factory in London, making 348 people redundant, because of reduced demand. Page 3

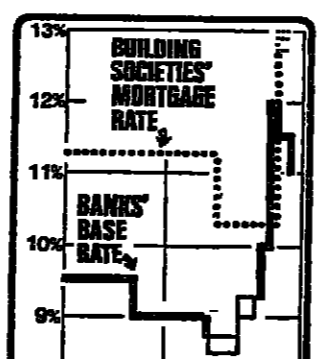
BULL, French State-owned computer group, cut group net losses in the first half of 1984 to FF2.56bn (£22.1m) compared with a deficit of FF2.625bn. Page 19

G. M. FIRTH (Holdings) raised pre-tax profits for the year to March 31 to £571,000 against £297,000. The miners' strike is affecting performance of the steel stockholding subsidiary. Page 16

Financial Times We apologise for any typographical errors in this edition caused by production difficulties in the reading department.

Markets buoyant as base rates fall to 11%

BY MAX WILKINSON, ECONOMICS CORRESPONDENT THE LONDON financial and stock markets ended the week with a burst of optimism yesterday as clearing banks cut their base lending rates a further half percentage point to 11 per cent and sentiment in the U.S. market remained buoyant.



Gilt edged security prices surged ahead by up to three points before falling back somewhat as a result of profit-taking and the equity market also moved strongly ahead with the FT Industrial Ordinary Share Index 19.2 points higher at 846.3.

That Bank of England took the opportunity to announce the issue of a £750m medium-term convertible stock which offers tax exemption to foreign holders. The second half percentage point cut in base rates in two days by all the leading banks followed a strong signal from the Bank of England on Thursday that it wanted base rates to fall to 11 per cent.

Miners' delegates reject offer and tighten discipline

BY JOHN LLOYD, INDUSTRIAL EDITOR THE National Union of Mineworkers' special delegates endorsed the union leaders' rejection of the National Coal Board's last offer with a view to end the pit dispute. The conference agreed to a change in the NUM's Rule 51, which provides for increased disciplinary powers over members who flout union rules.

The conference was relatively low-key. It merely accepted the report of the union's national officials that the board's offer would mean the closure of pits on grounds that they were uneconomic. Mr Arthur Scargill, the NUM president, said afterwards that the union would never concede this and that the strike should continue.

Clyde dispute raises dock strike fear

BY BRIAN GROOM, LABOUR STAFF TALKS ON the supply of imported coal to Ravensraig steelworks in Scotland ended in deadlock yesterday, arousing fears of a crisis which could lead to another national dock strike.

Jaguar in 'perfect' launch

BY ALISON HOGAN Jaguar shares were priced a modest 11p above their 165p opening figure when dealings began on the Stock Exchange yesterday morning. Conditions were described as "absolutely perfect" by the company's brokers, Cazenove Laing & Cruickshank. Stags who had rushed to buy the shares in the hope of making a quick profit, however, were disappointed.

Mr John Egan, chief executive of Jaguar, who watched the start of trading from the Stock Exchange visitors' gallery, said he was sorry that some investors had failed to obtain shares in the issue, which was heavily oversubscribed. "There was nothing we could do, but we hope that the share price does not go shooting off and that they will come back and buy some shares in the market," he said.

Racal in £146m bid for Chubb

BY RAY MAUGHAN RACAL, the defence and data communications group, yesterday maintained the momentum of bids in the electronics industry as it launched an offer worth £146m for Chubb & Sons, the lock and safe manufacturer. Two other international companies immediately made tentative approaches to Chubb once the terms had been disclosed.

Mr Randall, chairman of Chubb described Racal's move as "unwanted and unsolicited." Racal is offering three of its own shares, priced last night at 235p after a 1p fall, and 25 nominal of 7 per cent convertible unsecured loan stock 2000/14 for every five Chubb shares.

Chubb made pre-tax profits of £14.3m in its last financial year, which compares with £9.1m in 1975. Racal's profits over the same period have increased from £9.6m to £119.2m. Racal said yesterday it was "confident that it has the marketing and management skills, the financial strength and, above all, the technological capability, to improve significantly Chubb's profitability and prospects."

Which one? Advertisement for The European Banking Traded Currency Fund Limited. It features three banknotes (£, \$, DM) and a question mark, asking which one to invest in. The text describes the fund's benefits, such as diversification and professional management.

The European Banking Traded Currency Fund Limited. This section provides contact information for the fund, including the name of the manager, the address in Jersey, and details on how to apply or request a prospectus.

MARKETS table containing financial data for various markets including DOLLAR, STERLING, LONDON MONEY, and STOCK INDICES. It lists exchange rates, share prices, and market indices for different regions and currencies.

CONTENTS table listing the page numbers for various sections of the newspaper, including News, Markets, and Business Summary.

OVERSEAS NEWS

Bonn upset over plan for Saudis to buy Tornados

BY RUPERT CORNWELL IN BONN

WEST GERMANY is upset at the possible sale by Britain to Saudi Arabia of 40 Tornados...

Right-wing parties form front to fight Gandhi

By K. K. Sharma in New Delhi

THREE Right-wing parties yesterday formed a united front to fight the next general election in India...

Egypt threatens to bar ships from Canal

BY TONY WALKER IN CAIRO

EGYPT has warned Iran through a third party that it proves responsible for the explosions in the Gulf of Suez...

12 ships since July 9. The paper noted that a Libyan ship loaded with weapons for Ethiopia passed through the canal...

Japanese group agrees Sakhalin gas plan

BY ROBERT COTTRELL IN TOKYO

A JAPANESE consortium has agreed with the Soviet Union a technical outline for exploiting natural gas reserves near Sakhalin Island, Siberia...

In its technical outline, Sodeco suggests first exploiting Chaiwo natural gas, which is estimated to contain 100 billion cubic metres of natural gas...

East Germany Defends dialogue with the West

EAST BERLIN—East Germany yesterday published a top-level defence of dialogue with the West, despite strong Soviet attacks on its efforts to improve relations with Bonn...

Corsica to elect regional assembly tomorrow

BY DAVID MARSH IN PARIS

CORSICA goes to the polls tomorrow to elect a regional assembly, marking what the Paris Government and local politicians hope will be a milestone in restoring the troubled island's fortunes...

Spain revises forecast of tourist income upwards

BY TOM BURNS IN MADRID

SPAIN'S forecast income from tourism has been revised upwards to \$728.3m, a 15.3 per cent increase on the original estimate...

Wholesale prices in U.S. rise slightly

U.S. WHOLESALE prices rose by a modest 0.3 per cent July as food costs turned upwards...

Sri Lankan campaign against guerrillas

Tamil guerrillas hurled bombs near a police station in Sri Lanka's northern Jaffna district yesterday...

SPI application delays Portugal banks ruling

BY DIANA SMITH IN LISBON

AUTHORISATIONS for foreign banks to open branches in Portugal are being delayed for a few weeks to allow the Bank of Portugal to vet the application...

People Express in new fare war

By William Hall in New York PEOPLE EXPRESS, the cut-price U.S. airline, has precipitated a major price war on the Chicago to New York route...

China steps up efforts to woo Saudi Arabia

BY MARK BAKER IN PEKING

CHINA has stepped up its efforts to establish diplomatic relations with Saudi Arabia—one of the last significant countries to still recognise Taiwan...

Antwerp GM workers reject overtime plan

Workers at General Motors Antwerp assembly plant have voted down a management plan to make up for production lost during the West German engineering industry's strike...

Brazil's main parties to pick candidates

BY ANDREW WHITLEY IN RIO DE JANEIRO

THE CRESCENDO of politicking which has gripped Brazil for months, vitally paralysing normal decision-making, reaches its climax this weekend in Brasilia...

Rambling days are ending for Irish tinkers

BY BRENDAN KEENAN IN DUBLIN

UGLY SCENES in the suburbs of Dublin and a flurry of legal actions have produced a fresh attempt to solve one of Ireland's most intractable social problems: what to do about the country's growing population of itinerants...

Dutch group to lobby against unitary tax

A Dutch Government delegation will visit the U.S. next week to lobby against what it considers unfair taxation of multinational corporations by some U.S. states...

'Immense challenge' for Ecuador's new leader

SR LEON FEBRES CORDERO, who was yesterday due to take over as Ecuador's 58th President, has acknowledged that the country faces an immense challenge...

Shamir claims Peres' efforts will fail

Caretaker Prime Minister Yitzhak Shamir told an Israeli newspaper yesterday that Labour leader Shimon Peres' efforts to form a coalition would fail...

Open season for TV stations delayed

THE U.S. Federal Communications Commission (FCC) has delayed for at least six months the introduction of new rules greatly expanding the number of TV stations which can be controlled by a single owner...

Financial Times, USPS No. 16040

Subscription rates: \$420.00 per annum. Second class postage paid at New York, NY, and at additional mailing offices.

UK NEWS

Job cuts in RN dockyards to be brought forward

By Lynton McLain

THE DEFENCE MINISTRY is to accelerate the loss of jobs already proposed for the Royal Navy dockyards at Devonport and Rosyth, before it offers dockyard work on naval vessels to the private sector and British Shipbuilders.

Heseltine says Labour defence plan 'a sell-out'

By Margaret van Hattem, Political Correspondent

MR MICHAEL HESELTINE, the Defence Secretary, yesterday attacked Labour's latest non-nuclear defence policy statement as a "senseless scheme" and a "sell-out of British interests."

Spectacular sights that span the centuries

FOR ALL of us there are moments, sights and experiences which we would like to freeze and carry for ever to share with others.

Arthur Sandles shares a personal journey among the wonders of the world



Table with 2 columns: Location, Description. Includes Taj Mahal, Abu Simbel, Michelangelo's David, Red Square, St Thomas Harbour, Bryce Canyon, Vallee Blanche, Bird Island, Manhattan skyline, Gouffre de Padirac.

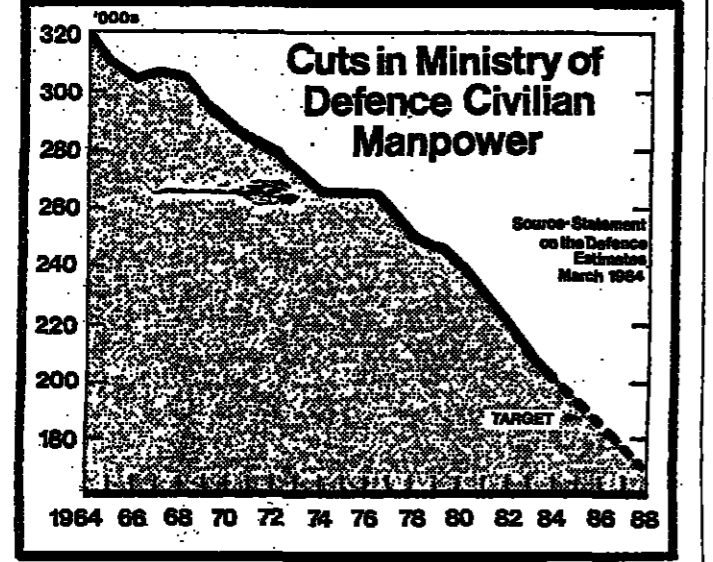
My own list, like others in this series, is subjective. There is tremendous room for argument. But I have given myself one or two ground rules.

Whether to cry at the sombre beauty of it all—or run. It was about midnight when I arrived at my hillside hotel above St Thomas harbour in the U.S. Virgin Islands.

Snow scenes feature often in my own book of personal memories. From tiny Austrian villages to the vast white vistas of inland Alaska.

That was tempting, as was the Sydney Opera House viewed from the air. But in the end the obvious choice must be the skyline of Manhattan.

That was tempting, as was the Sydney Opera House viewed from the air. But in the end the obvious choice must be the skyline of Manhattan.



South-west urged to keep cutting water consumption

WATER USERS in drought-stricken South-west England were urged yesterday to continue reducing consumption.

RAC attacks by-pass plan

THE RAC yesterday described the Government's policy of allowing single-carriageway by-passes as "appalling."

Bigger stake in DBS sought

By Raymond Snoddy

THE COMMERCIAL "third force" in Britain's direct broadcasting by satellite (DBS) venture plans to seek a larger stake in the project.

'Technology university' queried

By Raymond Snoddy

GOVERNMENT suggestions that a private sector information technology university should be created to tackle a shortage of computer specialists were greeted with scepticism by universities and industry yesterday.

Rate of economic recovery slowing, survey shows

By David Helliwell

BRITAIN'S rate of economic recovery is slowing and there is less confidence about the future than was apparent three months ago, according to a survey of recovery.

BA to refit jumbo jets

By Raymond Snoddy

BRITISH AIRWAYS is to spend about £10m on refurbishing the galleys of its 28 Boeing 747 jumbo jets in the winter of 1985-86.

Harvard Securities and PMC settle differences

By Raymond Hughes, Law Courts Correspondent

HARVARD Securities, the licensed securities dealer, announced yesterday that it had settled all its differences with Petroleum Mining Company, arising from the proposed offer for sale of PMC shares last November.

Police radios ordered

By Jason Crisp

THE Home Office has placed orders worth £18m for 25,000 vehicle radios to re-equip police forces and fire brigades in England and Wales.

Max Wilkinson on the Bank of England's latest move to keep inflation within the government's medium-term strategy

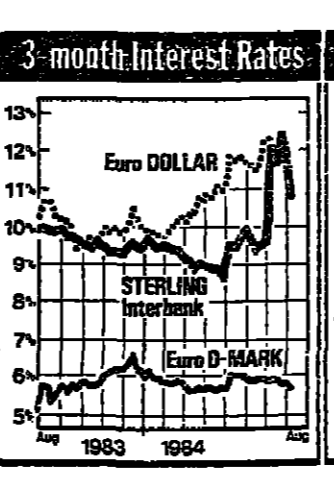
By Max Wilkinson

THE OLD LADY of Threadneedle Street jumped into the driving seat this week and let off the brakes with a squeal of publicity.

A signal from the Old Lady of her resolve to bring down interest rates

THE OLD LADY of Threadneedle Street jumped into the driving seat this week and let off the brakes with a squeal of publicity.

inflationary pressures remain relatively subdued, but the current economic growth rate of about 2 1/2 per cent is too low to make any significant dent on the unemployment total.



of the recovery for two reasons: first, industry's confidence needs to be maintained, at a time when industrial investment is beginning to take over from consumer spending as the main engine of recovery.

cent, the inflation rate is currently about 3 per cent. This gap of 2 1/2 per cent between inflation and interest rates compares with a gap of nearly 6 per cent in the UK and 4 1/2 per cent in France.

The view in official circles on the exchange rate is divided, not to say schizophrenic, although everybody agrees that a precipitous fall in sterling—as was threatened last month—is not to be countenanced.

Computers help relieve administrative headache of keeping bank customers informed

CHANGING the base rate is not the costly administrative headache for banks that one might imagine, thanks largely to computers, writes Margaret Hughes.

the scramble to notify customers. Unlike the building societies, banks do not inform customers individually on any change in their rate, be it for a mortgage or any other loan.

Credit Act 1977 requires banks to advertise any changes in their basic lending rate in "no fewer than three national newspapers."

£2,000 by NatWest to between £4,000 and £6,000 by Midland. Costs vary because some banks chose to advertise in more than the required number of papers.

quired to change rate boards inside their banking halls and windows. Passing on the necessary information to the manager is a simple affair, done through the computer terminal.

Even amending computer programs where the rate changes affect the accounts concerned, the banks believe involves minimal effort and

In practice, therefore, the authorities will continue to play the game of "Chicken" with the foreign exchange markets, daring to move interest rates down only a little at a time, with one eye glued to the Reuter monitor for any evidence of a speculative rush out of

UK NEWS

Dublin challenged on gas pipeline plan

THE Government has disputed Dublin's version of problems over a plan to pipe natural gas from the Irish Republic to Northern Ireland. The plan is now expected to be scrapped.

Mr Adam Butler, Minister of State at the Northern Ireland Office, yesterday contradicted the account of negotiations given this week by Mr Dick Spring, the Irish Deputy Prime Minister.

Mr Spring said the British Government had sought a cut of almost half in the price per therm agreed in a joint memorandum of understanding last October.

However, Mr Butler said he had asked not for a 50 per cent reduction but for suggestions towards bridging the gap between the present depressed projections and those which were made when the deal was agreed in October.

It was a severe disappointment to find the project was in doubt, he said. The latest price estimates far exceeded anything the Government could have reasonably expected in 1983 and the size of the potential market had substantially contracted.

The Government was considering the Irish Republic's response and would make a statement as soon as possible. It is now widely expected that the Government will cancel the deal and take steps to close the Northern Ireland gas industry, which employs 1,000.

Official sources in Dublin disputed Mr Butler's version of events and insisted that the British negotiators have been looking for close to a 50 per cent reduction. Rises in U.S. dollars and world oil prices mean that the gas would be priced now at \$0.45 per therm and Dublin sources say the British are seeking a price below \$0.30 per therm, which is totally unacceptable.

Manx inflation falls

A FURTHER fall in the annual rate of inflation for the Isle of Man was reported by the Manx Treasury yesterday. It was 5 per cent in July against 5.5 per cent in June.

Building society receipts fall £22m

BY MARGARET HUGHES THE FLOW of savings into building societies fell last month to net receipts of £60m, which is £22m less than the June figure and £131m below last July's when the inflow was boosted by a rise in interest rates.

Building Society Association figures published yesterday also show that the building societies raised less last month from wholesale sources — such as certificates of deposit and negotiable bonds, probably because of their higher cost. They raised only £180m from these sources against £301m in June and £281m in May.

Although the inflow was down, mortgage advances rose again to a record £2,360m. Mr Richard Weir, secretary general of the BSA, said that the July inflow was still not enough to fund the societies' current lending. They have therefore had to dip into their liquidity again, causing the liquidity ratio to fall for the fifth consecutive month to a present level of 18 per cent.

The level of money promised but not yet lent to mortgage applicants at £2,180m, substantially lower in July than in the previous month. It was also the first month this year when the level of commitments was lower than the amount advanced.

Mr Weir said this could indicate that the level of lending, which grew rapidly in the first half of the year, will now stabilise. It was, however, too early to say whether demand had been affected by the increased mortgage rates announced in July.

Usually there is a slight increase in receipts between June and July. The BSA suggests that the general level of interest rates probably encouraged a number of investors to switch some funds elsewhere, even after it became clear that societies were going to raise their rates on August 1.

Another factor was the Jaguar flotation, with investors withdrawing funds to buy Jaguar shares. Because the offer was well over-subscribed, however, the BSA expects some of these funds to return.

This month is not traditionally a good one for societies. Investors tend to be on holiday, spending rather than saving. It is also the beginning of the new car registration year.

Additional factors this year will be the sales of the 28th issue of National Savings Certificates, maturities of the five-year term shares which many societies began to issue in August 1979 and the general volatility of interest rates.

Shooting on Sundays in Britain's grouse moors tomorrow, the Glorious Twelfth, but the birds' respite will be only temporary.

Shooting on Sundays is banned in England and Wales, and although there is no such legal restriction in Scotland, grouse shooters there have been asked to hold fire until the 13th too.

Major Donald Callender, of the British Field Sports Society, said: "I have been shooting grouse since God knows when. It never crossed my mind they could be shot on Sundays."

Silent guns on the Glorious Twelfth

THE GUNS will be silent on Britain's grouse moors tomorrow, the Glorious Twelfth, but the birds' respite will be only temporary.

Shooting on Sundays is banned in England and Wales, and although there is no such legal restriction in Scotland, grouse shooters there have been asked to hold fire until the 13th too.

Major Donald Callender, of the British Field Sports Society, said: "I have been shooting grouse since God knows when. It never crossed my mind they could be shot on Sundays."

Even if there is no legal objection, it is accepted practice that we don't shoot game birds on Sundays, but there may be some cad somewhere who might go out."

Changes at Rea Brothers

Sir Walter Salomon has retired as a director and chairman of REA BROTHERS, and has become president. Sir Malcolm Wilcox, previously a deputy chairman, has succeeded Sir Walter as chairman.

ARTHUR BELL AND SONS has appointed Mr Peter R. Tyrle to the board. He is managing director of Gleneagles Hotels, a group of four hotels acquired by Bell's last February.

BULLDOG TOOLS, a member of the Dobson Park Industries Group, has appointed Mr John Hardacre as its commercial director. He was an accountant for British Bakeries (Northern).

Mrs Avril Fishwick, a partner in Frank Platt and Fishwick, solicitors, Wigan, and a Deputy Lieutenant of Greater Manchester, has been appointed the first woman director of NATIONAL WESTMINSTER BANK'S north regional board.

Silent guns on the Glorious Twelfth

THE GUNS will be silent on Britain's grouse moors tomorrow, the Glorious Twelfth, but the birds' respite will be only temporary.

Shooting on Sundays is banned in England and Wales, and although there is no such legal restriction in Scotland, grouse shooters there have been asked to hold fire until the 13th too.

Major Donald Callender, of the British Field Sports Society, said: "I have been shooting grouse since God knows when. It never crossed my mind they could be shot on Sundays."

Even if there is no legal objection, it is accepted practice that we don't shoot game birds on Sundays, but there may be some cad somewhere who might go out."

Changes at Rea Brothers

Sir Walter Salomon has retired as a director and chairman of REA BROTHERS, and has become president. Sir Malcolm Wilcox, previously a deputy chairman, has succeeded Sir Walter as chairman.

ARTHUR BELL AND SONS has appointed Mr Peter R. Tyrle to the board. He is managing director of Gleneagles Hotels, a group of four hotels acquired by Bell's last February.

BULLDOG TOOLS, a member of the Dobson Park Industries Group, has appointed Mr John Hardacre as its commercial director. He was an accountant for British Bakeries (Northern).

Mrs Avril Fishwick, a partner in Frank Platt and Fishwick, solicitors, Wigan, and a Deputy Lieutenant of Greater Manchester, has been appointed the first woman director of NATIONAL WESTMINSTER BANK'S north regional board.

Rise in clothes spending outstrips all items

FINANCIAL TIMES REPORTER SPENDING ON clothes in the 12 months to the end of March rose considerably faster than general spending.

Spending on clothes went up by 9.8 per cent in the period, compared with a rise of 3.5 per cent for outlays on all items, according to figures released by the Department of Trade and Industry.

Spending on clothes also advanced more than spending on all items during the five years 1978-83 when employment in textiles fell from 380,000 to 251,500 and in clothing from 298,000 to 209,500.

Jobs in man-made-fibre production were halved during that time to 14,500 and severely depleted in household textiles, where numbers dropped from 41,000 to 27,400.

In the same years, spending on clothes, taking 1980 as index 100, rose by 4 per cent a year to 121.6. Spending on all items went up by 1.5 per cent a year to 105.5 and on household textiles and soft furnishing by 0.3 per cent a year to 104.9.

However, output in the period dropped more severely in both textiles (by 7.3 per cent a year) and in clothing (4.9 per cent) than in the manufacturing industries as a whole (3.3 per cent), indicating just how far imports had captured the home market.

In the first quarter of this year, the latest date for which official figures are available, consumer spending on clothing and household textiles fell slightly compared with the previous quarter. That reflected a similar fall in total consumer spending.

Preliminary findings, according to the DTI, indicate an improvement in demand for clothing in the second quarter.

Turning to output, the DTI said the index of production for the textiles industry was 2 per cent down in the first quarter of 1984 compared with last October, November and December. The picture was brighter than a year earlier, though, with a 3 per cent rise over the first quarter of 1983.



A PROTOTYPE of Optica, the latest offering from Edgley Aircraft. The first production model is due to make its maiden flight from Old Sarum Airfield in Wiltshire later this month, writes Michael Donne, Aerospace Correspondent.

Itself in exports. Over the past year or so, it has won contracts for 82 of its small Optica three-seat observation aircraft, worth over £8m, mostly from overseas.

Production is running at one aircraft a month and is set to expand to six a month next year.

Of the 82 aircraft ordered, only three are for the UK, the rest are for customers in Australia, Africa, New Zealand, Scandinavia, Saudi Arabia and West Germany.

BASE LENDING RATES

Table listing base lending rates for various banks including A.B.N. Bank, Allied Irish Bank, Amro Bank, etc.

Standard Chartered Bank

announces that on and after 10th August 1984 its Base Rate for lending is being decreased from 11 1/2% to 11% p.a.

Williams & Glyn's Interest Rate Changes. Williams & Glyn's Bank announces that with effect from 10th August 1984 its Base Rate for advances is reduced from 11 1/2% to 11% per annum.

Co-op Bank announces a change in base rate from 11.50% to 11.00% p.a. On and after Saturday 11th August 1984.

The DIY magazine for the money enthusiast. For the last 125 years the INVESTORS CHRONICLE has been the trusted counsellor for the money enthusiast.

Financial Times International Year Books. For essential information on insurance companies worldwide... World Insurance 1984

Bank of Scotland BASE RATE. Bank of Scotland announces that, with effect from 10th August, 1984, its Base Rate will be decreased from 11 1/2% per annum to 11% per annum.

UK NEWS-LABOUR

Left and right in TUC poll tussle

LEFT and right-wing trade union leaders are circulating separate lists of candidates for election to the TUC's governing body, its General Council. The outcome of the election could have a significant impact on the TUC's attitude towards the miners' strikes.

The right-wing list is a full 11 candidates, again all general secretaries, though there is some suggestion that one may withdraw before the voting. It is: Mr Tony Christopher, Inland Revenue Staff Federation; Mr Alf Clowes, Ceramic and Allied Trades Union; Mr Bob Garland, foundry workers; Mr Bert Lyons, Transport Salaried Staffs Association; Mr John Lyons, Engineers' and Managers' Association; Mr Bill McCall, Institution of Professional Civil Servants; Mr Charlie MacCarthy, Society of Metal Mechanics; Mr Eric Nevin, Merchant Navy Officers; Mr Gill Sims, Iron and Steel Trades Confederation; Mr Alex Smith, Tailors' and Garment Workers' Union and Mr Bob Stevenson, Footwear Trades Union.

Deadlock in talks over Thorn EMI recognition

TALKS between the electricians' union, the EETPU, and the engineering union, the AUEW failed yesterday to make progress over an issue of single union recognition. They were discussing the EETPU's deal with Thorn EMI, which bars other unions from recognition at the company's new plant in High Wycombe.

Brian Groom on the row over coal imports Hunterston on verge of crisis

THE CHANCES of the row over coal imports at the Hunterston terminal on the Clyde developing into a crisis were in the balance last night. Arguments over the next few days may centre on a complex legal wrangle over which workers are allowed to do certain work.

dockers would work inside the ships.

BSC may argue that ISTC members can unload as much coal as the cranes can get at without TGWU help inside the holds. TGWU officials angrily dispute this, and believe they will win their case before the board.

Mr Willie Queen, the union's Scottish organiser, said that one registered docker was required in the hold to guide the cranes,

account. "No action will be taken without prior consultation but the right for grab discharge is reserved. No registered dock work will be undertaken by other labour."

This deal was attacked yesterday by the left-wing newspaper Socialist Worker, which argued that the dockers had "virtually negotiated themselves out of a job and accepted that the port can and will operate without them." It was a "dangerous precedent" which threatened every registered docker in the country.

Employers do not believe it has these wider ramifications, but Mr John Connolly, the TGWU national docks secretary, is known to have been angry that his deal was signed.

The argument may go beyond the local level to the National Dock Labour Board and even the courts. It is uncertain how dockers will react if BSC wins at the local board and then unloads the ship without the TGWU; some officials felt yesterday that the position would be unchanged, and that a strike would go ahead.

It is uncertain, too, how BSC would react if it lost. The corporation said Ravenscraig's need for the coal was urgent: it is coal of a special quality needed to blend with existing stocks to make them usable.

Some employers wonder if it would be possible for BSC to import the coal through more distant, non-scheme ports and carry it by lorry to the steelworks—a possibility that the corporation refuses to discuss publicly.

The argument over what is registered dock work may be by-passed if BSC tries to dock the ship without the help of the 78 Clyde tubermen, who are not registered workers. This is technically possible as long as the water is calm.

The TGWU has threatened a strike if this is done. Port employers do not believe this comes under the TGWU's two standing resolutions—to call a national strike if anyone is laid off for refusing to handle coal, or if "scab" (that is non-registered) labour is used—but Mr Queen insisted yesterday that it did.

It is still possible that both sides, if they really wish to avert a crisis, could sit down and negotiate a restricted quota of coal supplies to Ravenscraig. But they were far apart yesterday, and in the wake of the breakdown of the talks no-one was suggesting that this was an imminent prospect.

Hopes rise for BL deal with unions over strikes

BL and its unions at the company's Cowley plant hope to reach agreement on procedures to limit unofficial strikes at the factory which have recently disrupted production of the Maestro and Montego lines.

reach agreement that disputes will be dealt with under the complex grievance procedure already in existence at the plant. That is aimed to limit strikes, but BL said it was not seeking a no-strike deal.

While talks continue, both sides agree that the current arrangements which have brought peace to the plant in the past week will stay in force.

Under these arrangements, first brought in about 10 days ago, shop stewards at Cowley agreed to do everything possible to prevent unofficial stoppages from taking place.

Recently, a lightning stoppage by 14 employees at the plant caused the loss of two days' car production.

Bae sit-in delays work on Haley's Comet satellite

BRITISH AEROSPACE yesterday continued the process of implementing the High Court order banning the occupations of its Filton factory, Bristol, but no steps to eject the workers are expected until next week.

last month under the terms of a previously negotiated settlement.

The 2,000 strikers in the aircraft division—who are involved in a separate occupation—are seeking pay parity with other BAE plants. They believe they have the support of their local management but are opposed by BAE centrally.

Yesterday BAE management at Filton said that as soon as normal work is resumed, discussions can continue on incentive schemes. "The union is taking action to achieve improvements in 1985 which the company has already agreed to make," he said.

Train disruption 'patchy'

HTRAIN services were patchily disrupted yesterday by a 24-hour strike of the 29,000 British Rail maintenance staff.

The strike was called by the National Union of Railwaymen against the run-down of jobs in British Rail Engineering and the closure of the Swindon, Glasgow and Derby works.

The main effects of the strike were felt in the Western region where only about 50 per cent of services were operating. That area was more vulnerable because it has a higher proportion of diesel trains which are fuelled by the maintenance staff.

Holiday bonus for Jeyes staff

JEYES, the Norfolk-based toiletries company, has given 95 staff two weeks' extra paid holiday because it is over producing and faces high warehouse costs.

Furniture jobs to go

A. H. McIntosh, furniture makers of Kirkcaldy, Fife, are to make 41 workers redundant by September 7 because of a national recession in the furniture trade, the effects of the miners' strike, and the introduction of value added tax on home improvements.

Coutts & Co. announce that their Base Rate is decreased from 11 1/2% to 11% per annum with effect from the 10th August 1984 until further notice. The Deposit Rate on monies subject to seven days' notice of withdrawal is decreased from 8 1/2% to 8% per annum.

National Westminster Bank PLC NatWest announces that with effect from Friday, 10th August, 1984, its Base Rate is decreased from 11 1/2% to 11% per annum. The basic Deposit and Savings Account rates are decreased from 8 1/2% to 8% per annum.

Barclays Bank Interest Rates. BASE RATE Barclays Bank PLC and Barclays Bank International Limited announce that with effect from the close of business on 10th August 1984, their Base Rate was decreased from 11 1/2% to 11%. This new rate also applies to Barclays Bank Trust Company Limited.

TSB BANK Base Rate With effect from the close of business on Friday 10th August, 1984 and until further notice TSB Base Rate will be 11% p.a. Trustee Savings Banks Central Board, PO Box 33, 25 Milk Street, London EC2V 8LU.

Bank of Ireland announces that with effect from close of business on the 13th August, 1984 its Base Rate for Lending is reduced from 12% to 11% per annum.

NATIONAL Girobank National Girobank announces that with effect from 10th August 1984 Base Rate Its base rate was reduced from 11 1/2% to 11% Deposit Accounts The rate of interest payable on deposit accounts is 8% per annum.

The Royal Bank of Scotland Base Rate The Royal Bank of Scotland plc announces that with effect from close of business on 10th August 1984 its Base Rate for lending is being decreased from 11 1/2 per cent per annum to 11 per cent per annum.

Hill Samuel Base Rate With effect from the close of business on August 13th, 1984, Hill Samuel's Base Rate for lending will be decreased from 11 1/2 per cent to 11 per cent per annum. Interest payable on the Bank's Demand Deposit Account will be at the rate of 8 per cent per annum.

THE WEEK IN THE MARKETS

A small step back on base rates

Interest rates have come back faster than anybody might have dared to predict a month ago when the clearing banks jerked their base rates up to 12 per cent. Twice this week the banks have responded to the Bank of England's signals and pegged their base rates back by half a point.

LONDON ONLOOKER

Profits have benefited from management efforts to rationalise the business while Brooke Bond has not had any rationalisation to benefit from.

Certainly the paper does not convey any particular merit for its bid other than to make it a much larger food group. Perhaps that is not surprising, for a bid for a large mature food business in the UK is a very long way indeed from the talk of small "add on" purchases in North America which seemed the favoured tactic at Tate & Lyle a year ago.

Anyway, the general tenor of the offer document implies that this bid is an opening shot. The omission of a profits forecast from Tate suggests it is being held back as ammunition to back the next offer.

The offer document from Standard Telephones and Cables for ICL turned out to be an oddly muted affair. The computer group's record is surely a fair game for a bit of spiteful knocking copy.

Bids update

Tate & Lyle's offer document in pursuit of its £300m cash and equity bid for Brooke Bond does little to add to the wealth of human knowledge. It is a very conventional work, achieving little more than to underline the obvious point that its

"We have a high regard for ICL," says Sir Kenneth Corfield, STC's chairman. The reason for this surprising lack of aggression is that STC is anxious to win agreement from ICL's board — it would not do to give offence at this point.

Red ink at CU

The half time figures from Commercial Union this week were dreadful. Whereas the market had hoped that the second quarter could make good the £8.4m loss of the first three months and put CU back into the black, the actual result fell a long way short of achieving break-even let alone a profit.

For the first six months to the end of June there is a £14.5m loss pre-tax against a £30.4m profit. Tax and minorities swell the deficit and CU has only managed to get a black number at the attributable line by crediting £27.5m of investment gains.

One relief is that the interim dividend is being maintained at 4.85p a share. But what was once unthinkable is now becoming more than a remote possibility — the full year payout could be cut. To have trimmed back on the interim dividend would have been to admit that the management's efforts to turn the troubled insurance group round had failed.

Total worldwide underwriting losses climbed by nearly £50m to £173.1m. Within that the U.S. loss was up from £98.1m to £105.8m. That was

no surprise as the U.S. has been causing CU (and others) problems for years.

The performance in the UK, however, was a real shock: underwriting losses nearly tripled to £48.7m despite CU's efforts to increase premiums and cut operating expenses. Still the vagaries of the weather, which has driven such a large hole through the UK account, is largely a one-off and should not be taken out of context.

CU's long-term problems are still largely centred on the U.S. even though rates there do seem to be firming at long last. Overall the best that can be hoped for is probably break-even for the group this year. What supports the share price is bid hopes though it would need a brave bunch of men to launch an offer.

Bashing metals

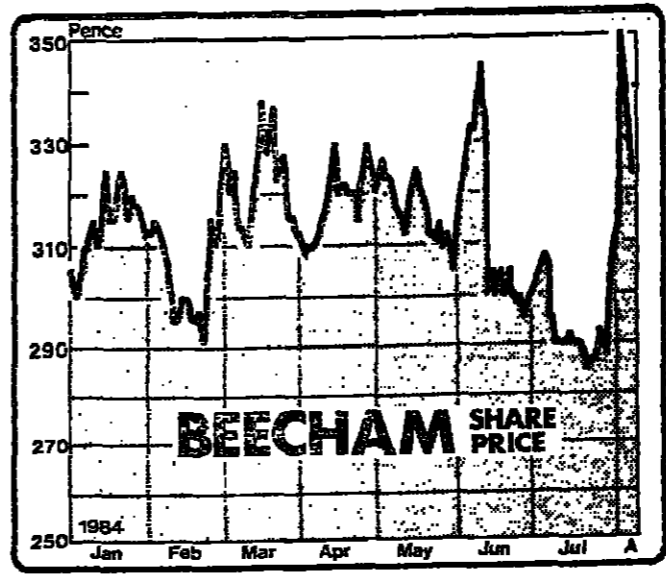
The engineering sector published an impressive array of half year figures this week. Profits from Glynwed rose by more than 50 per cent to £12.3m, GKN achieved a 61 per cent advance to £61.2m while TI more than doubled the pre-tax line to £12.4m and doubled the dividend payout as well. Yet in the market such promising results were greeted with less than enthusiasm — as soon as the companies reported their shares fell.

In GKN's case there was disappointment that the dividend was held unchanged, increases from the industrial sector have become regarded as a matter of course. Also dealers suspected that a share placing was on its way to offset the effects on the balance sheet of dollar borrowings to finance the Beck/Arnley acquisition. On Wednesday a £25.3m placing was duly announced.

But there are no specific negative factors that can explain the market's reaction to the figures from Glynwed and TI. The point is that good figures were expected and while they might have actually been a bit better than most estimates the analysts are now sitting back and saying "Fine, those are the numbers but where does the sector go now?"

To varying degrees all three companies fall into the mould of traditional hotch-potch engineers which the market believes to be near to the top of their trading cycle. Yet it would be wrong to tar the whole sector with that brush. A large number of companies in the sector are nowhere near seeing their profits peak yet and there is still a lot of benefit from previous rationalisation to come through. The J. H. Fenner defence document for instance indicates that the group is only just turning up.

For investors the name of the game now is to be more selective and perhaps concentrate more on smaller specialised companies. For example, A.E. is a company with a couple more



years of good growth before the price which is still suffering from investors' fears that component suppliers are at the mercy of the automotive giants which multi-source their parts requirements and keep the component makers under the thumb. The component market is not really like that anymore.

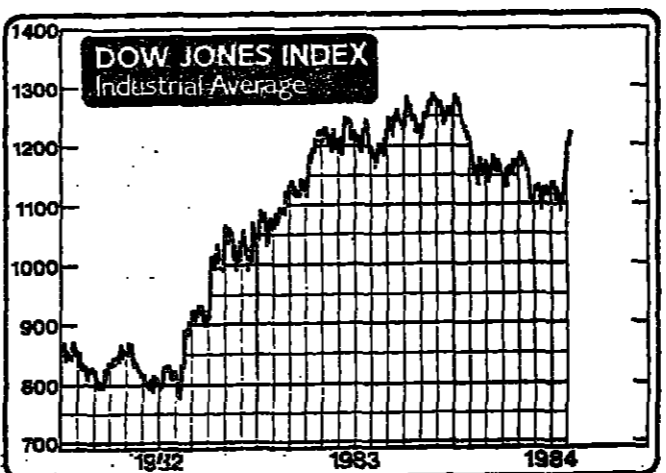
Beecham's pill

Beecham's share price has been bouncing around lately on rumours that it is about to be on the receiving end of a mammoth U.S. bid any day. Well, it may be a bit surprising that American companies are not using the trump card of a strong dollar to pitch into the UK bids scene but so far at least a U.S. bid is no more than a rumour. Though it is perhaps a sign of the times that people

are even talking about the possibility of a takeover—believe it or not but there are even suggestions Glaxo might launch an attack. Something more tangible, if less exciting, is the news that the group has received approval from the U.S. Food and Drug Administration to sell its new antibiotic, Augmentin. The U.S. market for oral antibiotics is worth around U.S.\$1.1bn a year but it would be wrong to get carried away by a launch in America. It could take years for Beecham's new product to become established in a significant way. After all, it was launched in the UK in 1981 and has still only captured a small foothold in the market.

In two or three years' time Beecham might be making £10m or so profit from Augmentin in the U.S. and perhaps a similar amount from the drug in Japan (assuming it breaks into that market). That is not going to change the shape of a group likely to make £300m profit in the current year and capitalised at over £2.5bn but U.S. approval is the first real positive piece of news to come out of Beecham for some time

Terry Garrett



Rustenburg: so far, so good

"THIS should stand the group in good stead in an uncertain world," said Mr Gordon Waddell, thoughtfully, in his annual review of the affairs of Rustenburg Platinum Holdings this week. He was commenting on the improvement in the big South African platinum producer's cash balance to R189.9m (£77.4m) from R69.3m in the year to June 30.

The recovery that had already been seen in Rustenburg's fortunes strengthened greatly in the past year with net profits climbing to R100.1m from a restated R63.3m in the previous 10 months. Shareholders saw their dividend rise to 60 cents from 45 cents for the previous period.

As demand for platinum increased, so Rustenburg raised its production, a move which also had the benefit of reducing the unit costs. The question now is to what extent the momentum of the recovery can be maintained in the current year?

The largest market for platinum jewellery is Japan where sales have been affected by economic recession but that is passing and Japanese demand for platinum jewellery should now be on the increase. Meanwhile, West Germany has been increasing in importance as a market for platinum jewellery and the industry is hoping to build it further with promotional campaigns. As far as industrial demand is concerned, the U.S. automobile industry is particularly important with its need for the metal as a catalyst in the control of exhaust emissions. In due course statutory requirements for such devices and lead-free petrol are going to spread to Europe but in the meantime rising U.S. automobile production is a major factor in the increased industrial demand for platinum.

Shareholders may feel, however, that a more dramatic improvement will be needed to justify the current share price on which there is a modest dividend yield of just over 4 per cent, especially when more than double this return can be had on money in the building society. Such an improvement is quite possible. In the mean-

MINING

KENNETH MARSTON

time it will be interesting to see the results for the year to June 30 of the rival Impala Platinum Holdings which are due early next week and the latter's subsequent views on how the metal market is shaping. The Rio Tinto-Zinc group's Palabora operation in South Africa is one of the very few copper mines that has been able to earn profits throughout the recession and is still doing so thanks to its close control of costs. But it can hardly have been expected to raise earnings in the first half of this year.

This it has done thanks to a jump in sales of the mine's by-products. They are: uranium; vermiculite, used in the building and farming industries; and anode slimes which, despite their rather dismal name, contain precious metals. They have lifted Palabora's first half profit to R28.6m (but before deducting a deferred tax adjustment of R9.8m) compared with R18.9m in the same period of 1983. Shareholders are given an increased second interim dividend of 20 cents, making 35 cents so far this year against 20 cents for the first half of 1983. So it would appear that, yet said, cautiously, that continued

Back to life

NEW YORK WILLIAM HALL

AFTER A three day lull, Wall Street roared back to life again on Thursday as investors became increasingly nervous about missing out on the stock market rally and speculation mounted that perhaps the long awaited "second leg" of the bull market had begun after all.

Given that the previous week's 87.46 point jump in the Dow Jones Industrial Average had topped the record 81.34 point rise in the Dow at the start of the current bull market in August 1982, some investors had anticipated that share prices would mark time for a period or even ease back after their recent explosive surge.

For the first few days this appeared to be the case. The Dow rose marginally on Monday and Tuesday and fell back below the 1,200 level on Wednesday as the stock market suffered its first loss in seven days. On Thursday morning, share prices opened weaker but turned around sharply over lunchtime and by close the Dow was 27.94 points up—its highest level since late January—in heavy trading.

This week's quarterly U.S. Treasury funding programme appears to have gone better than expected and the surprisingly aggressive demand for the \$4.8bn of 30-year Treasury Bonds was the key to Thursday's surge in share prices. Following lacklustre interest in earlier Treasury issues, the latest issue was 3 1/2 times oversubscribed and the average yield of 12.53 per cent was between 10 and 20 basis points lower than expectations. It was also significantly lower than a similar issue last May, which yielded investors 13.32 per cent.

Over a third of the issue is believed to have been bought by a handful of U.S. securities firms and banks who intend to repack the bonds and sell them to foreign investors in anonymous bearer form. In addition, there has been evidence of renewed foreign interest in U.S. Government debt instruments and all these factors have led to a much more confident tone in the U.S. credit markets which has spilled over into the equity markets.

Until recently, investors have been worried that the U.S. Government's heavy funding needs combined with a strong dollar economy would push up interest rates still higher. However, these fears have been evaporating in recent weeks as a string of economic statistics showed that the economy was not growing so quickly and inflationary expectations were easing. The improvement in sentiment in the credit markets is

reflected in the price of the U.S. Government long bond Treasury 18 1/2 per cent, due 2014, which jumped by nearly two full points on Thursday helped by a set of surprisingly good U.S. money supply figures with M1 showing a \$2.6bn fall. The yield on long term government paper is now standing at 13.36 per cent compared with 14 per cent as recently as the end of May and money managers are now talking the yield down to 12 per cent in the immediate future. Even at the shorter end of the money market, where interest rates have risen by 50 points between mid-July and the first week of August, there were signs of an easier trend and the yield on three month U.S. Treasury bill, for instance, dropped 15 basis points in the first four days of this week.

There has been a considerable psychological shift in investor attitudes towards both the U.S. credit and equity markets in recent weeks and investors are much more anxious to be fully invested. In the equity market, technology issues which have been in the doldrums for some time have sprung back to life. The shares of National Semiconductor, which had risen by over a fifth last week, were up by another 10 per cent by Thursday evening, and IBM, which had risen by 10 per cent the previous week, had put on another 2 1/2 per cent. Predictably, shares of the major U.S. securities firms have also been very firm. Merrill Lynch, which recently reported a 133m second quarter loss, saw its shares rise by more than a quarter last week as it shares were up again this week. American Express, another stock market blue chip which has been under a cloud of late, has also seen renewed demand for its shares which are up around a fifth since the start of the month.

U.S. oil shares, which have been hit by the uncertainty over world oil prices, have also been put back on the brokers buy lists. Exxon shares rose by 12 cent to \$41 in the first four days of this week and Mobil, which has been noticeably underperforming the market this year, had put on \$3 to finish at \$27 1/2 by Thursday evening.

Monday 1,202.96 + 0.88
Tuesday 1,204.62 + 1.66
Wednesday 1,196.11 - 8.51
Thursday 1,224.05 + 27.94

MARKET HIGHLIGHTS OF THE WEEK

Table with columns: Index Name, Price, Change, 1984 High/Low, 1984 Low, 1984 High, 1984 Low, and Notes. Includes F.T. Govt. Sec. Index, F.T. Ind. Ord. Index, F.T. Gold Mines Index, BOC, CRA, Chubb, Commercial Union, Gripperods, Hinton (Amee), House of Fraser, Imperial Group, Ladbroke, Meekatharra Minerals, NSS Newsagents, Page (Michael), Shell Transport, Smith (W. H.) A, UBM, Union Discount, and Woolworth.

Fifth successive year of record profits with further U.S. expansion

Table comparing 1984 and 1983 performance metrics: Turnover, Profit before Tax, Profit attributable to shareholders, Net dividend per share, Earnings per Share.

Earnings per share on the stated tax charge have only grown by 9.4%, having included a deferred tax position in excess of £1m. Had this been treated as an extraordinary item the earnings per share would have increased by some 28%.

Extracts from the Chairman, David Telling's annual statement... "Trading in the current year is satisfactory and providing the world economy does not falter, I can see no reason why further progress should not be made."

"On Monday, 30th July we announced that we had acquired our second painting company in the United States, namely Oliver B. Cannon & Son Inc., a company with a turnover in excess of \$20m a year and average pre-tax profits for the last three years of \$1.6m."



H.A.T. Group plc. Cleaning: Glass; Maintenance; Mechanical & Electrical; Merchandising; Painting (UK & USA); Plant Hire; Plastering; Plumbing; Property Development (UK & USA).

UK CONVERTIBLE STOCK 11/8/84

Table listing UK convertible stocks with columns: Name and description, Size (£m), Current price, Terms, Conversion dates, Flat yield, Red yield, Premium, Current Range, Equiv Conv, Div, Current.

Number of ordinary shares into which £100 nominal of convertible stock is convertible. The extra cost of investment in convertible expressed as a percentage of the cost of the equity in the convertible stock. Income on number of ordinary shares in excess of £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible stock. The conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. This is the income of the convertible stock. Income is summed until conversion and present valued at 10 per cent per annum. This is the income of the convertible stock. The difference between the premium and income of the convertible stock is the net cost of the convertible stock. The difference between the premium and income of the convertible stock is the net cost of the convertible stock. The difference between the premium and income of the convertible stock is the net cost of the convertible stock.

هنا هو اصل المقال

YOUR SAVINGS AND INVESTMENTS

Accommodating a tenant

I am one of four "tenants in common" of a large property which we bought in July 1980, in a desirable state, as suitable for restoration and later use as a possible retirement spot. Three of the four "tenants" are pensioners. We are gradually bringing the main house up to scratch and now have to turn our attention to the annex. The problem is that the ground floor of this building has a scheduled tenant. She complained to the environmental health department that the flat was damp and draughty, which was correct. We have made several attempts to stop the ingress of water, but the ancient roof which has never been touched has come to the end of its useful life and will need to be replaced in its entirety. We have applied for and received planning permission and while the application was taking its course the health people serviced on us a compulsory repairs notice. They agreed with our view that the building was unfit for human habitation but said that it could be made habitable if the repairs they listed were carried out. The cost of this work has been estimated at £40,000, or about 80 per cent of the purchase price of the whole building. Whether we can find this money or not is not relevant here. The point at issue is that we cannot contemplate restoration of the annex while the tenant is in occupation. The council agrees but claims that it is our responsibility to rebuse her while the work is done. Estimated as taking about six months, the tenant pays us £370 per year, a rent which we have not sought to upgrade since we bought the house, in view of the poor accommodation. We cannot find anything in the town at less than £25/£50 a week (depending upon site and facilities).

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

permanent basis you can ask the tenant to move there and could seek a court order for possession under Section 98 (1) of the Rent Act 1977 if she were unwilling to move and you can establish that the alternative accommodation is indeed suitable to her needs and means.

Executors and the estate

Can an executor purchase from the estate at probate value items of household effects remaining after all beneficiaries have made their selections? Perhaps such a purchase might be limited to the amount of any cash sum left by the will to the executor for proving the will?

Is there a simple way that a testator may specifically permit this, eg by a letter attached to the will? An executor should not purchase anything from the estate unless expressly authorised to do so by the will or by the court. If a testator wishes to authorise an executor to purchase anything this must be clearly stated in the will, and the basis of valuation to be used should also be specified. It would be wise to instruct a solicitor to draw up a will incorporating suitable provisions.

No extra time needed

After years of uphill struggle, I finally managed to get a writ issued against a solicitor in the High Court last year and served and served a few weeks later. I have repeatedly asked for a date for a court hearing, but so far the solicitor who is handling my case has not obtained one. I understand that a writ can only be extended after one

year with the permission of the court.

If my solicitor applies to the court for an extension, can he keep on doing so, and if so, for how many years? If he does not apply and I do not get a date for a hearing do I lose my right to go to court? As the writ has been served, no extension of time is needed. There now has to be a series of documentary pleadings in which your legal advisers state your claim in detail, the defendants then state the terms of their defence and your reply to that defence is made. After that there will be a process of "discovery" to disclose all the relevant documents on each side, after which directions for trial will be given by the court. Provided your solicitor adheres to the timetable laid down by the rules you will not need any extension of time, even though the trial may not be set until some time hence. You should write to your solicitor asking him to make sure that your case is not struck out for want of prosecution.

Conflicting advice

I have recently completed improving my terraced house with the help of a £7,650 grant from the local authority. I signed a certificate of ownership stating my intention to live in the house for five years, but now I plan to marry and live in Spain. If I sell now, will I have to repay the grant? Two documents which give conflicting rulings: Housing Booklet No. 14 P.9 Q.11 and Department of Environment Circular No. 21/80.

The Department of the Environment circular is a more accurate statement of the effect of Sections 73, 74 and 76 of the Housing Act 1974. There seems to be no warrant for the passage in the question and answer booklet which suggests that you can sell to another occupier within the five-year period; so if you first repay the grant (section 77 of the Housing Act).

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Illegitimacy and intestacy

My father-in-law was born illegitimately in 1902. His mother subsequently married and from this marriage four sons were born. My father-in-law assumed the surname of his step father from the marriage and the five brothers were brought up as a family unit well into adulthood before any knowledge of the above was known to them. The father died while the brothers were very young and the mother died when my father-in-law was 31 years of age. From that time he assumed responsibility for the upbringing of his brothers until they reached majority. My father-in-law died in 1974 and the last remaining brother died intestate earlier this year. With the exception of my father-in-law none of the brothers left any issue.

The last remaining brother had lived with my wife's parents for a long period during my wife's childhood, was my wife's godfather, and had been treated as a true uncle in every sense of the word. The solicitor handling the affairs of my wife's uncle informs us that as he died intestate, and the common link between him and my late father-in-law is their mother, then there is a high probability that the estate would pass to the Crown.

It seems that the Family Law Reform Act 1969 does not save the position of an illegitimate child who is not a child of the intestate himself. It is therefore correct that the estate would pass to the Crown as "bona vacantia". An application can however be made to the Treasury Solicitor for an ex gratia payment to be made to your father-in-law, and this would probably be acceded to.

HOLIDAY INSURANCE

What is left out

The aftermath of the Majorca coach crash in May this year, in which eight British tourists were killed and 15 seriously injured, has exposed several weaknesses in the insurance position of the holidaymaker. If you take out package holiday insurance, the chances are that the personal accident cover it provides will be severely limited. Cover is usually between £5,000 and £25,000 in the event of death, loss of limb or eye or total disability. You should be wary of this form of cover. Robert Oates, a solicitor acting for one of the coach crash victims, points out that "it is very restrictive because unless you suffer the exact injuries specified you are not entitled to receive the lump sum benefit."

Oates' client, along with all the other passengers on the coach, was travelling with Horizon Holidays—the Birmingham-based travel company. All but two of the passengers (who had made separate arrangements) had taken out Horizon's package insurance policy offered in their brochure. Oates says his client was severely injured in the crash. But because her injuries do not fit any of the insurance pigeon-holes, she is unlikely to receive any payment for them under the policy.

The upshot is that she must look elsewhere for compensation. Other victims, who are entitled to the standard £15,000 benefit under the policy, are doing likewise as the payment is not adequate compensation for their loss. No payments are made under the policy for pain

and suffering and loss of earnings which could normally be claimed. In any event if, as with the victims of the coach crash, the insurance proves inadequate, to whom do you turn for compensation?

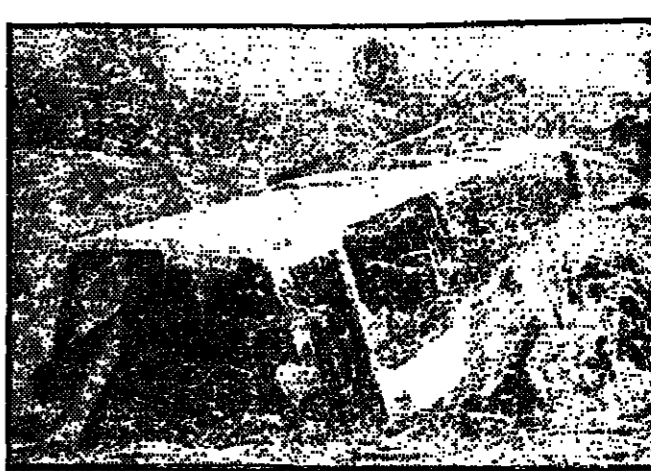
Horizon, in this particular case, has denied liability. It points out that it had no direct control over the coach company concerned and cannot be held responsible for the acts of independent third parties.

This is standard tour operator practice. The booking conditions of every tour operator's brochure contains an exclusion clause pointing out that the operator only puts the package, ie the accommodation and travel, and cannot therefore accept liability for what people who are not their employees may do. This leaves the holidaymaker with the unenviable task of bringing a long distance claim in a foreign jurisdiction against the persons directly responsible.

Short of taking out selective insurance cover, where you choose the risks and level of cover you require, there is little that you can do to protect yourself against injury whilst abroad.

Selective cover is available from the larger insurance companies, such as the Royal and Norwich Union. But, because it is tailor-made, it is rather expensive.

Alternatively, you may be able to increase the level of personal accident cover on your package policy above the maximum limit. Ask the underwriters of the policy, Oates says that this will



Are you covered against a coach disaster?

either yourself or through your travel agent, to provide a quote for the extra cover.

This should not increase the premium unduly. Accident and General, which put together Abasure, the standard ABTA policy, say that their personal accident cover of up to £25,000 accounts for only 70p of the £3.80 premium for 11 to 17 days cover.

The drawback however with increasing your cover on a package policy is that you are still limited to the specified risks, such as death, loss of limb.

According to David Tenen legal adviser to the Consumers' Association: "It is wrong that the consumer should fall between two stools in this situation. Between them, the tour operator and the insurance company should share the responsibility for providing proper compensation.

Solicitors acting for the coach crash victims, although not ruling out the possibility of a claim against Horizon, are already taking steps to bring a claim in Majorca. Robert Oates says that this will

probably be an expensive and time-consuming exercise with no guarantee of satisfactory compensation. As yet, the Majorcan authorities have not disclosed the results of their enquiry into the cause of the coach crash.

However, in some circumstances you should not be deterred by the tour operator's ubiquitous denial of liability for third party acts, says David Tenen. Where you have a claim in contract against the tour operator, for example when the hotel accommodation was less than promised in the brochure or the food was below standard, it would usually be unreasonable for the tour operator to be able to deny liability.

"The trouble is that many consumers will be frightened off claiming simply because the clause is there in the booking conditions, Tenen says. "But the provision of food and accommodation is the essence of the holiday and the operator should not disclaim responsibility in these circumstances."

Lawrence Lever

Consumer Credit

PHILIP STEPHENS on why the British have become such carefree borrowers

HAVE THE British forgotten how to live within their means? As the Government pursues its "good housekeeping" policies to cut public borrowing, most of its citizens seem intent on spending as much of other people's money as they can. Only in the last few weeks have the spendthrifts started to show the first signs of respect for the escalating real cost of borrowing.

Margaret Thatcher cannot complain, whatever her personal views on the virtue of thrift. The explosion of consumer credit over the last two years or so has provided the main engine of economic recovery.

The new cars, videos, washing machines and other household goods snapped up by consumers have been financed partly by higher real earnings, but mainly by increased credit.

Most of the loans have come from banks, which have greatly increased their share of personal credit, and building societies, which have found that a rising share of mortgage funds have been used indirectly to finance consumer goods.

Christopher Johnson, chief economist at Lloyds Bank, predicts that this year, for the first time in a decade, households

will borrow more than they save.

Borrowing, he says, has risen by 40 per cent in real terms over the last three years and, for the average household, the ratio of debt to income has jumped from less than 45 per cent in 1980 to about 60 per cent now.

Why have we suddenly become a nation of borrowers? Will we soon have to start paying it all back?

The economists offer a diverse range of theories. One explains the falling ratio of savings to earnings by the reference to the sharp fall in inflation.

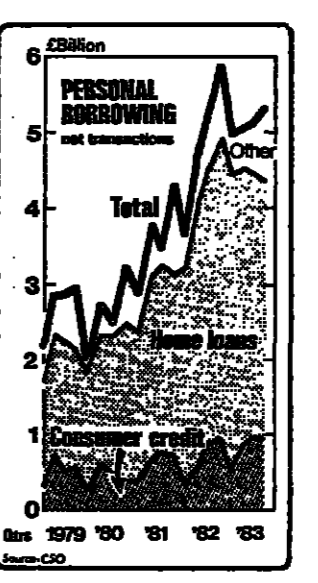
The theory is that people seek to maintain the real value of their assets after inflation adjustments. If inflation is soaring people save more and borrow less to keep the worth of their assets topped up.

If price rises slow, there is less inclination to save and a greater willingness to take on the burden of loan repayments.

That theory, however, provides only a partial explanation. The fall in inflation, and with it a growing confidence in the economic outlook, have coincided with a period in which sharpening competition between banks, building societies and other financial institutions have made it much easier to get a loan.

Roger Bootle, chief economist at broker Capel-Cure Myers, says the gradual re-regulation of the financial system, which included the abolition in 1982 of hire purchase controls, has significantly changed people's attitude to credit.

Not counting the cost



Since 1980 real interest rates have risen sharply as inflation has fallen, even though nominal rates which decide the level of regular repayments were falling, at least until two months ago.

For the borrower this has meant that the monthly cost of loan repayments and credit has been falling. The end of hire-purchase controls has allowed longer terms and thus higher borrowing at the same monthly repayment.

But while the traditionally more expensive credit offered by finance houses and retailers has grown only slowly, lending by banks and building societies has rocketed.

Stockbroker Phillips and Drew estimates that during periods when building societies have stepped up their mortgage lending, up to half the extra money has been used for purposes other than buying or improving houses.

So can the credit boom continue? Paul Neild senior economist at Phillips and Drew, says that some further small reduction in the ratio of savings to earnings is likely this year. The greater freedom likely to be won by the building societies will also widen further the opportunities for borrowing.

But, says Neild, the consumer spending spree is probably past its peak. While there are few signs that we are about to re-learn the virtues of thrift we have virtually borrowed almost as much as we can afford.

NEXT WEEK: Credit cards.

Market makers prepare for battle

Unlisted Securities Market

THE LONG-RUNNING rivalry between the USM and the fringe over-the-counter market took a step nearer to open warfare this week. The controversy centres on whether Harvard Securities, one of London's largest licensed securities dealers, should be allowed to run an OTC-style market in USM stocks on the same tax footing as official jobbers on the stock exchange floor.

any USM shares it traded. In fact, that concession, known as the "jobbers' stamp", only applies to jobbers making a market in officially listed shares, which includes the USM, and to licensed dealers' OTC business.

The Stock Exchange decides who should qualify as a jobber while the Department of Trade and Industry rules on who is eligible to be a licensed dealer.

Tom Whitton, Harvard's managing director, says he will lobby for less regulation contained in the 1980 Finance Act, to be changed or reinterpreted, and that he will continue to make a market in USM shares. "Clearly, it won't be so economic. We will just absorb the costs of stamp duty," he says.

Whitton started on Thursday quoting prices in 13 USM shares, more than twice his original target, and plans to make a market in all USM stocks by the middle of next year.

"I think it is the Government's intention that this market should be loosened up a bit, and we could be a useful safety valve for the USM," he adds. Harvard already makes a market in 64 OTC shares, with a total value of £170m.

Stamp duty apart, Harvard and its OTC colleagues differ from stockbrokers in that they charge no commission, making

their profits instead on the spread between buying and selling prices. Licensed dealers, however, have been criticised for involving a greater element of possible risk for investors.

They do not have the financial muscle to hold large volumes of shares, and therefore cannot always promise the same ease of marketability available for listed investments. In general, therefore, they tend to confine themselves to smaller, inevitably more speculative ventures.

It is no accident that the OTC, which is about the same age as the USM, includes an estimated 140 companies with a market value of just £530m, against the USM's 259 stocks, valued at £2.8bn.

There are exceptions, like James Burrough, the distillers, which is capitalised at £24.5m on Granville's OTC market. But Granville does not take a position in its equities, and will only match buyers and sellers.

It runs a market, valued at £200m, in 31 OTC stocks. Furthermore, licensed dealers may find themselves more vulnerable in a bear market than a single-capacity stockbroker, and conflicts of interest could, easily arise if a licensed dealer is keen to get rid of a long line of stock in bearish times.

In spite of all those perceived drawbacks, Harvard is not the

only licensed dealer to take a crack at the official market. Hill Woollgar continued to offer prices for Falcon Resources, an oil exploration company when it graduated from the OTC to the full market last week, and will do the same for Hogget Bowers, a management selection agency due to join the USM in three weeks.

Granville took a 29.9 per cent stake in June in R. A. Coleman, a small Welsh stockbroker, with the intention of moving up to full ownership when stock exchange rules permit. Coleman will use the purchase cash to establish a London office concentrating on USM companies and smaller fully-listed groups.

There is no formal rule against non stock exchange members making markets in quoted securities. But even though the OTC has its own regulatory bodies, the growth of new markets in USM and listed stocks clearly introduces a less officially controlled element into what was supposed to be a strictly supervised market.

The licensed dealers argue that they are acting in the interests of wider share ownership and bringing more liquidity to thinly marketed USM shares. But they also present a thorny dilemma for the Stock Exchange to ponder as it debates the future of the securities market.

HOARE GOVETT TELEBROKING 24 Hour share ordering through your television. In conjunction with CITISERVICE. Hoare Govett's 24 hour electronic share order and information service is the first of its kind and is available in conjunction with Citiservice. Now private clients have the exclusive facility to instruct Hoare Govett to "buy" and "sell" shares 24 hours a day, 7 days a week using their television sets at home or at the office. Instant access to world market research information, Hoare Govett recommendations and share prices on the London Stock Exchange is now available to private as well as institutional clients. Much of this information is free or subject only to a nominal charge.

MURRAY SMALLER MARKETS TRUST PLC MANAGERS: MURRAY JOHNSTONE LIMITED

Results for the year ended 31st May 1984

	1984	1983
Equity shareholders' interest	£47,997,348	£39,655,135
Asset value per share	171.4p	141.7p
Revenue available for ordinary shareholders	£651,773	£520,986
Earnings per ordinary share	2.36p	1.88p
Ordinary dividend per share - interim	0.60p	0.60p
- final	1.60p	1.40p
Capitalisation issue in B ordinary shares	1.34239%	1.41229%

Distribution of assets as a percentage of shareholders' equity

	1984	1983
Equities		
United Kingdom	21.7	24.2
Europe	23.8	33.2
Denmark	1.0	2.6
France	2.0	2.0
Germany	6.4	8.1
Netherlands	4.7	7.2
Norway	1.4	1.3
Sweden	1.5	0.7
Switzerland	5.8	9.5
Murray European	1.6	1.8
Japan	27.3	24.4
Far East	20.7	21.8
Australia	6.6	6.8
Hong Kong	9.7	10.7
Singapore/Malaysia	2.4	2.6
Others	2.0	1.7
United States	10.9	13.6
Other Countries	1.8	1.1
Bonds	106.2	118.3
Net Cash	11.2	19.5
Total Assets	2.8	0.5
Less prior charges at nominal value	120.2	138.3
	20.2	38.3
	100.0	100.0

Copies of the report may be obtained from the Secretary, Murray Smaller Markets Trust PLC, 163 Hope Street, Glasgow G2 2UH.

YOUR SAVINGS AND INVESTMENTS

UNIT TRUSTS

Bait for the unwary

CLIVE WOLMAN on how a unit trust was suddenly made to perform spectacularly—at least for a few weeks

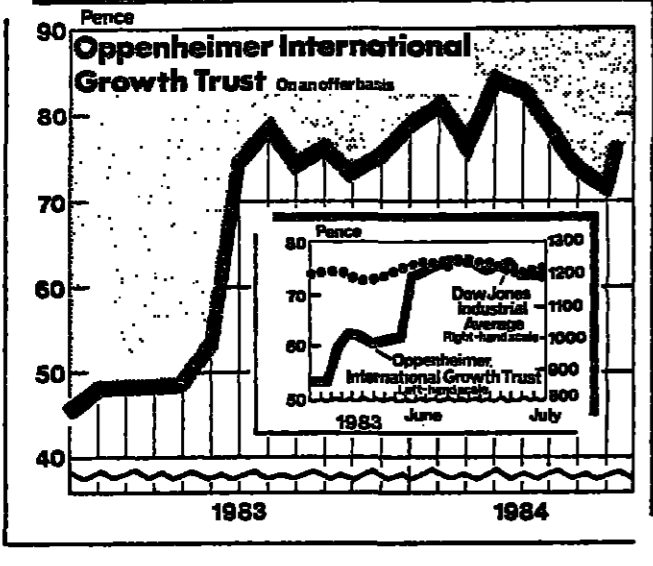
was to break into the UK unit trust market. But four months later, at the beginning of May, the fund had marked up a disappointing performance. Its asset value per unit had risen by only 6 per cent in the year compared with a 17 per cent rise in the indices for the U.S. stock markets... The fund has risen 8 per cent since then (on an offer-to-offer basis) which is below the average of all unit trusts and of unit trusts in its "international fund" category.

YOU MAY have wondered why, whenever you put your savings into a unit trust which claims a spectacular investment performance, it loses money.

It is not difficult for a larger fund management group to find that at least one of its unit trusts over some particular period has performed well against some particular market index. It can then advertise its record aggressively.

Apart from such judicious selection, there are other possibilities for unit trust managers to manipulate their investment performance. One example is provided by the bizarre investment performance over the past 18 months of Oppenheimer International Growth Trust.

Oppenheimer Trust Management, a subsidiary of the rapidly growing financial services group, Mercantile House Holdings, acquired its first UK unit trusts, including the International Growth Trust, in December 1982.



The unit trust managers' report for the period gave no indication of this remarkable activity beyond saying: "We have selected shares in rapid growth companies that do not need an economic recovery to prosper."

SHARE OPTIONS

Ins and outs of a tax break

DAVID COHEN explains how the new Finance Act may make a stake in your employers more attractive

THE 1984 Finance Act, which last week received the Royal Assent, shows the final shape of the new approved share option schemes for employees. Since the new schemes were last considered in these columns on June 2, the Government has made several amendments.

The crucial advantage of the approved schemes is the favourable tax treatment for participants. Normally, when an employee is given shares in his company, any profit is taxed at his marginal income-tax rate of up to 60 per cent.

only to capital gains tax charged at a flat rate of just 30 per cent, after deducting the £5,600 annual exemption and disregarding inflationary gains. An employee may forfeit this tax break if he sells his shares back to the company itself or if a future government legislature approved schemes.

Under the original proposals there were timing restrictions. An employee had to take up his shares at least three years but not more than 10 years after the option had been granted to him. Nor could he exercise one option within three years of another. These were prohibitions which had to be included in the rules of every approved scheme.

who changes jobs 24 years after being given an option would prefer to make a profit on which he has to pay income tax than to have to let the option lapse and make nothing at all. But the majority of scheme participants will want to exercise their options—if their company's share price has gone up—as soon as they can do so without paying income tax.

The Finance Act exceptions to the new timing rules are limited. For the post-10-year period there are no exceptions at all, so income tax will always be payable. During the first three years of the option, relief is given only where the option-holder dies and his executors take up the

Advertisement for Oppenheimer International Growth Trust, featuring a graphic of the Empire State Building and the headline 'It's not hard to see which American fund is managed on Wall Street.'

But it is hard to see which American funds are stuffed with new issues.

the U.S. fund manager for the International Growth Trust: "I was given a mandate to get as high a performance in that period as I could. I had to take advantage of the circumstances then were particularly favourable to new issues. Another circumstance was the tiny size of the fund which allowed the profitable new issues to have a strong impact on its asset value. As the fund grows, the impact diminishes.

ance of their small but highly visible unit trusts at the expense of their large policy-holder funds, by allocating the most attractive shares to their unit trusts. The unit-holders in such funds clearly benefit. But without fuller disclosure by unit trusts of the sources of their profits in their half-yearly reports, it is dangerous to draw any conclusions as to whether such a fund's strong performance is likely to continue.

PREMIUM BONDS

Premium bond odds to change

YOUR CHANCES of winning a Premium Bond prize will improve in the autumn—but the chances of a large prize will be smaller.

National Savings recently announced that the average annual yield on Premium Bonds is going up from the current 7 per cent to 7.75 per cent free of tax beginning in the November draw. This does not compare well with other investment opportunities such as National Savings Certificates which will yield 9.0 per cent tax-free or building societies which are currently offering as high as 8.2 per cent net of basic rate tax on 7-day accounts.

But the yield on Premium Bonds is only an average: you could win much more or much less. Each month National Savings calculates the 7.0 per cent rate on the number of bonds owned (at £1 per bond) and the sum becomes that month's prize fund.

The new structure increases the number of prizes from about 100,000 to 150,000 per month, improving the odds of winning from the current 1 in 15,350 to a slightly better 1 in 11,000. Yet the new structure almost doubles the number of £50 prizes in the draw and decreases the number of £100 to £5,000 prizes.

Also beginning in November, National Savings will fix the odds at 1 to 11,000 regardless of how large the prize fund is. Under the present system, the odds of winning decrease as people buy more bonds, even though the average yield per bond does not fall because the prizes themselves are more valuable.

Under the new structure however the number of prizes will grow directly in line with the number of bonds in the draw so that the odds will remain the same. So what can you expect from Ernie? A large investment in Premium Bonds will increase your chances of winning, but not proportionately.

Yet these odds are not in fact as attractive as they may sound. For example, if you own the maximum 10,000 bonds you could expect to win about six prizes per year. But under the new prize structure about 90 per cent of the prizes are £50, so that five of your prizes would probably be £50 and the other would probably be £100. A total of £550 would represent an annual return of only 3.5 per cent.

Jeanne Reid

PENSIONS

Sweet for executives and the rank below

ERIC SHORT continues his series on how to make the best of the present limited flexibility

THE Labour Party's condemnation of the Government's new personal pension proposals for offering tax breaks to executives but nothing much to ordinary employees contains an element of political rhetoric. For the existing pension system offers tremendous scope for tax planning on an individual basis through an executive pension arrangement. To this the personal pension proposals add nothing.

An executive pension scheme is designed for directors, senior executives and even upper and middle management. In format it looks very similar to self-employed pension contracts described last week.

In both cases, the pension contributions are accumulated, invested in tax exempt funds, the same funds as used for self-employed pensions, and at retirement the cash accumulated is used to buy a pension. The pension is then taxed as earned income but you have the option of converting part of the pension into a tax free cash sum.

The major difference between executive and self-employed pension contracts lies in the maximum value of the contributions and the final pension allowed by the Inland Revenue. Executive pensions are regarded by the Superannuation Funds Office of the Revenue as company pension schemes. For this reason a limit is imposed only on the benefits provided by the schemes. There is no limit on the contributions paid into the scheme as there is for self-employed pensions.

A company scheme is permitted to provide the maximum two-thirds of final salary pension after only 10 years of service with scaled down portions for shorter service (see Table 1).

No mainstream company pension scheme could afford such generous benefits for its complete workforce, the benefits as indicated in Table 1. But the company may be willing to grant its executives such sums. The contributions required for providing full two-thirds pension after only 10 years may well be more than 100 per cent of the executive's salary. But provided the required contribution rate is calculated by the actuary on a basis acceptable to the SFO, then the contributions, however large, are eligible for full tax relief.

Executives can contribute up to 15 per cent of their earnings, getting tax relief at their top rate, while the company's contributions are eligible for corporation tax relief. The SFO requires the company to contribute a "significant" part of the cost—at least a quarter is probably sufficient.

It is the lump sum benefits that offer the most scope for tax planning. At retirement the executive has the option of commutating part of his pension for a tax-free lump sum, in contrast to self-employed pensions, the

limits are related to the executive's final salary, with a maximum lump sum of 1 1/2 times final salary after 20 years. The limits for shorter periods are shown in table 2.

Table 2 Cash Commutation Limits

Table with 4 columns: Years of service to pension age, Maximum cash as fraction of final salary, etc.

In theory, you could convert all your pension into a tax-free lump sum. But the SFO has wide discretionary powers and would probably not approve a scheme where the projected pension just covered the cash commutation.

Even so, the lump sum benefit can be a higher proportion of the total benefit at retirement than the one-third fraction that applies to self-employed contracts.

The executive pension scheme can provide benefits on the death of a working manager amounting to a maximum lump sum of four times earnings at the time, together with a refund of the employee's contributions with interest. This combined sum is exempt from Capital Transfer Tax. In addition, it can provide a spouse's pension of a maximum of two-thirds of the executive's pension. This sum is calculated by reference to prospective service and salary at the time of death.

Since this is a company scheme, a normal retirement date has to be specified, whereas under a self-employed pension contract there is a wide choice as to when the pension is taken. Earlier or later retirement provisions can provide a considerable degree of flexibility.

The lump sum benefits mean that the company can pass its profits on to its controlling directors or executives in a highly tax-efficient manner through the pension scheme, although the executive has to wait for his reward until retirement. The CGT-free lump sum on early death can be used in passing down family businesses. The pension arrangement can also be used in planning the company's finances.

The SFO will allow contribution payments to vary between years as long as the average rate adheres to the actuary's calculations. So contributions can be increased in the fat years and lowered in the lean ones.

If the company needs finance, the SFO will allow the pension scheme to lend up to 90 per cent of its assets back to the company provided a commercial rate of interest is charged.

Executive schemes, like ordinary company pension schemes, may be self-administered by the company. This offers even more corporate tax-planning opportunities.

Comprehensive details of executive pensions can be found in the recently revised book Executive Pensions, obtainable from the Marketing Department, Financial Times Business Information, 102 Clerkenwell Road, London EC1M 6SA, price £16.

NEXT WEEK: How to make extra contributions to your company scheme.

Table 1 Pension Limits

Table with 4 columns: Years of service to pension age, Maximum pension as fraction of final salary, etc.

Offshore Funds

CLIVE WOLMAN concludes the series by discussing unit trusts

UK INVESTORS frequently get the wrong idea about the attractions of offshore funds. They are seen as a way of dodging tax, either legitimately or by keeping profits away from the scrutiny and the reach of the taxman. They are also viewed as an insurance against the return of a Labour government committed to the re-introduction of exchange controls.

Myth of a tax dodge

such as GT or Save and Prosper. But the choice is much more limited.

The risks are high also for those considering breaking the law and concealing their profits and wealth in an offshore fund. Nearly all the double tax treaties signed by the UK provide for the exchange of information between the Revenue authorities of the two countries—and in fairly broad terms.

A safer way of ensuring anonymity is to buy bearer shares in an offshore fund. In that case, your name will not be registered with anyone. Most funds controlled ultimately by UK merchant banks and investment houses do not issue bearer shares. Last week, however, Charterhouse J. Rothschild, the recently formed financial services conglomerate, set up a dollar-based international fund registered in Luxembourg with bearer shares. The fund will be managed from Guernsey in what the managers claim will be a "conservative way."



When investing in an offshore equity unit trust (or open-ended investment company, which is similar in most respects to a unit trust), you pay no instrument duty or stamp duty. This normally makes the entry charges, and thus the spread between the buying and selling prices of units, about 1 per cent less than in the UK.

use of your money until your tax bill is settled, which may be more than a year later. However, there are complications in cases where the fund receives dividends from a foreign company which deducts a withholding tax. Normally a UK unit trust will be able to offset the withholding tax against its own—and its clients'—tax liabilities. And under the provisions of double tax treaties, the withholding tax itself is reduced. But investors in most offshore funds have to pay the full rate of withholding tax and cannot offset it against anything. However the Inland Revenue has recently granted a concession to the UK investors of some offshore funds, by

Flowchart titled 'THE SNAKES & LADDERS OF TAX ON SHARE OPTIONS' detailing the tax implications and conditions for share options, including questions about government approval, exercise periods, and capital gains tax.

Vertical text on the right edge of the page, including 'Roller Raja', 'Holidays', 'INDIA', and 'CRUISE IN T... AN'.

TRAVEL

Rolling through Rajasthan

IN THE Taj Mahal hotel in New Delhi the air-conditioning purred, the soft-footed waiters came, and went, and out of limousines at the grand entrance stepped le tout Delhi to head for the private rooms where the engagements and nuptials of the sons and daughters of the well-heeled were being celebrated.

On then to Jaipur, right in the middle of the Thar desert, home of the second great fort (after Chittor) in Rajasthan. It is a glowing jewel of a town, like something out of tales of the Arabian Nights, and above all the place that lingers in my memory. Full of exquisitely carved sandstone houses (known as Havelis) built for the rich merchants of this staging post town and bustling market-places, take a day to wander round it.

Lucia van der Post Reports on a very special train journey

YOU (I found India, a Traveller's Survival Kit, published by the Lonely Planet Group, much the best) but take time to stroll in the back streets.



Camels and confusion in Rajasthan

of our whole trip, the dates round which the whole enterprise had been planned—the Pushkar camel fair. Only India could stage-manage this combination of the holy and the commercial—if you can imagine a cross between an Easter procession and the Bath and West and relocate it in the East you won't be far out.

GATEWAYS TO INDIA

INDIA IS dauntingly huge for the first-time visitor, but a tour which takes in the obvious—including the Taj Mahal—"must see" and then diverts off to a particular area or attraction is probably the best initiation to the country.

PROPERTY

Your bit of the manor...

BY JUNE FIELD

THE OLD MANOR was converted into flats a few years back, when it looked a treat. Now the plaster is crumbling, the woodwork rotting, the ironwork clogged with weeds; there is a nasty crack in the side wall and the roof looks suspect too.



Melchbourne Park... ten apartments

Bad workmanship or negligent management? Probably a bit of both allied to the fact that much of its restoration was probably mainly cosmetic and that old property needs constant care and attention.

WHERE THE CONVERSIONS ARE

HERE IS a buyers' guide to some converted properties available: ● West Sussex is a fruitful area. At Binderton House, near Chichester, former country seat of Lord Avon (Anthony Eden).

Holidays and Travel - India

Advertisement for India travel, featuring 'INDIA the ultimate experience', 'Flights', 'COLUMBUS', and 'Overseas' sections with various travel agency details.

Advertisement for 'CRUISE ROUND THE WORLD IN TWO GREAT SHIPS AND MISS WINTER', featuring a cruise around the world in two great ships.

Advertisement for TWICKERS WORLD, featuring 'EXPLORE THIS WONDERFUL WORLD DOTTED WITH ISLANDS' and 'WILDLIFE, CULTURAL & WILDERNESS TOURS'.

Advertisement for Motor Cars, featuring 'SAVE up to £3,500 ON YOUR NEW CAR' and 'Black Fiat Panda'.

Advertisement for 'Are you buying a new car?', featuring 'Can you get up to 30% Discount on a wide range of new cars?'.

Advertisement for 'SAVE MONEY BY DOING IT PERSONALLY CAR IMPORTS', featuring 'D.P. MOTORS (Wexford) LTD.' and 'OPEL VAUXHALL'.

Advertisement for Carillon Court, featuring 'EALING W5', 'New 1 bedroom select residences in a superb courtyard setting of the Broadway, Ealing W5.'.

Advertisement for 'Excellent, luxury family APARTMENT in the heart of London £425,000', featuring 'This excellent, spacious apartment is on the fifth floor of an exclusive block on Portman Square.'

Advertisement for 'NEAR MONTREUX' and 'IMMEDIATELY AVAILABLE', featuring 'Newly converted apartment in prestigious Somerset retirement residence'.

Advertisement for 'SWISS CASTLE FOR SALE', featuring '30 minutes from Zurich, Cavite Maribou is situated in the charming town of Wetzikon, overlooking Lake Walensee.'

Advertisement for 'Knight Frank & Rutley', featuring 'THE SUMMER ISLES, WESTER ROSS' and 'A ROMANTIC AND BEAUTIFUL ISLAND OF ABOUT 800 ACRES'.

Advertisement for 'SAVILLS', featuring 'ISLE OF MAN 212 ACRES' and 'Productive commercial mixed farm in an attractive location'.

Advertisement for 'Fox & Sons' and 'GEORGE KNIGHT & PARTNERS', featuring 'CORNISH COAST' and 'The Letting Agents'.

BOOKS

Mr K

BY PETER QUENNEL

The Nightmare of Reason: A Life of Franz Kafka, by Ernst Pawel. Harvill Press, 466 pp. £12.95

Some 20th-century novelists have had a strong prophetic gift: and among them was Franz Kafka...

It is a story that would have fascinated Kafka, since it evokes the sense of personal frustration and human helplessness that frequently runs through his novels...

know. Nor need K hope for a definite acquittal: "unexpectedly, some Judge will take up the documents and look at them attentively, recognise that... the charge is still valid, and order an immediate arrest."

Kafka's efforts to come to terms with society were almost as desperate as his characters' hopeless struggles to solve the problems that surround them.



Kafka: his last photograph

circumstances of her daily routine. He believed, it seems, that by getting to know her well, and fixing her in his imagination, he might gradually overcome the horror he felt when he confronted the idea of marriage.

Paul Sartre and Simone de Beauvoir. Kafka was an early Existentialist, who "revealed to us our own problems, faced by a world without God."

Fiction

Without trace

BY MARTIN SEYMOUR-SMITH

Relative Success by A. L. Barker. Chatto & Windus, £2.95, 192 pages

Jones by Emyr Humphreys. Dent, £2.95, 133 pages

Pitch Dark by Renard Adler. Hamish Hamilton, £2.95, 144 pages

Filthy English by Jonathan Meades. Cape, £7.95, 160 pages

The Crystal Fountain by Malachi Whittaker. Carcanet, £2.95, 179 pages

A new book by A. L. Barker is always a delight. Rebecca West's last broadcast interview drew attention to her excellence and originality...

Relative Success is a new departure in setting and in psychological material, for this formidable author. It is about an awkward and lonely boy who is invited to spend a holiday in the South of France with a schoolfriend, Waldo, who is his

"better." The mother of this boy entrances the protagonist. When, years afterwards, Waldo vanishes without trace, the hero has to return to France to confront himself and to solve the mystery.

Jones's retrospective review of his life from boyhood until the present is done with enormous skill and subtlety; he sees, and the reader sees with him, that he has been a slave to the notion of freedom. Some critics dislike the word "distinguished" — but Emyr Humphreys, in this form, makes it almost mandatory and enlarges his readership.



Renata Adler: anti-romantic

the features of a love story (a sort of anti-romance in the contemporary manner, which is sometimes false), a description of a place (Orcas Island), and a description of a state of mind.

author did not wait until he had written something a little more substantial. Finally, a revival from the excellent, indispensable and well informed Carcanet Press. Malachi Whittaker (1925-1978) published four books of stories in the years before the Second World War, but gained a reputation only among a discerning few...

Alma Mater

BY A. L. ROWSE

The Early Oxford Schools: Volume 1 of The History of the University of Oxford edited by J. I. Catto (General editor T. H. Aston). Oxford, £55.00, 720 pages

HERE WE HAVE the first fat volume of a most ambitious undertaking. Oxford is to see itself in the mirror, or mirrors, of eight volumes, "more ambitious than any undertaken for any other European university."



Mob Quad, Merton College: oldest quad in Oxford—photographed by Cas Orthuis in "Oxford in Focus" (Bruno Cassirer)

Richard Southern well says, it was not founded, "it emerged." Other factors favoured it too. With so many monasteries round about, with their perpetual disputes and litigation, the place became a centre for ecclesiastical courts and attendant lawyers.

with his characteristic combination of exquisite scholarship, charm and humour. "Many men have been forced to teach elementary subjects while their minds dwell on higher things."

learn that Halliwell, which has so "gone to the good" in our time, was founded as an act of penance. The mainstay of education was logic and natural science, with a top-dressing of theology and the liberal arts.

CHESS

E. P. C. COTTER

EARLY THIS week almost all the grandmasters in the first few rounds but soon recovered.

BRIDGE

E. P. C. COTTER

THE ARTIFICIALITY of match-pointed pairs competition, where there is a high premium on overtricks, usually precludes playing safe, and instead one should adopt the line offering the best chance.

When inspection proves his contract to be virtually unassailable, he assumes that everything may turn sour, and if he can form a plan to make his contract on this hypothesis, then he is a dummy player par excellence.

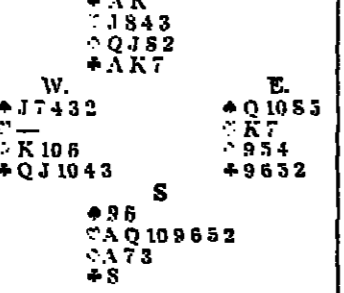
With both sides vulnerable, East dealt and bid one diamond. South felt that he was good enough to insist on game, and overcalled with two diamonds.

Miles, Short and Chandler all lost games in the first few rounds but soon recovered. Tournament mathematics dictated an enterprising, positive approach.

trump four to dummy's seven, both opponents following, and returned the two, not the ten, of spades, and finessed the nine.

The Queen won, and West led back a club to the King. South crossed to the Knave of hearts, and led the spade ten.

This hand required more preparatory work:



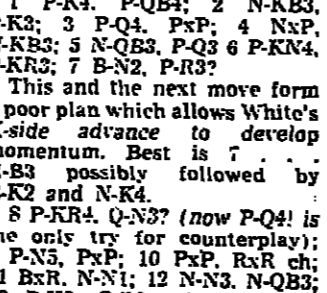
With both sides vulnerable, North dealt and bid one no trump. South bid three hearts, and North rebid three spades, accepting hearts as trumps.

West led the diamond Queen, the declarer cashed both dummy's honours, discarding a diamond from hand, and ruffed the seven of clubs with the nine of hearts.

9. were required for the title. Even a player who avoided defeat, a difficult task with such a uniformly strong entry, had to reckon on scoring five or six wins.

In an event dominated by youth and by GM titles, the form of the oldest competitor, David Strauss, has been a revelation.

Sicilian Defence (Grieveson Grant British Championship 1984).



By simple direct play Short has established a near-won position due to White's space advantage; now comes the decisive breakthrough.

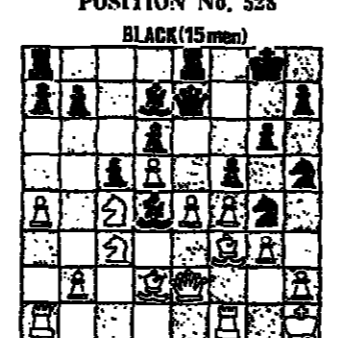
White: N. D. Short. Black: T. Parameeswaran. Sicilian Defence (Grieveson Grant British Championship 1984).

3 N-QB3, P-Q3; 4 P-B4, N-QB3; 5 B-K3, N-E3; 6 N-E3, O-O; 7 Q-Q2, P-K3.

Black's king is short of defenders, so White can open up the KN and KR files by sacrifices.

White: N. D. Short. Black: T. Parameeswaran.

POSITION No. 528



White: E. Teichmann v. A. P. Smith. Grieveson Grant congress, Brighton 1984.

PROBLEM No. 528



White mates in two moves, against any defence (by W. Meredith).

Another look at 'Bomber' Harris

BY DENIS RICHARDS

'Bomber' Harris and the Strategic Bombing Offensive 1939-1945

Hard on the heels of Dudley Seward's authorised 'Bomber' Harris comes Charles Messenger's 'Bomber' Harris and the Strategic Bombing Offensive—more a study than a biography, but nevertheless offering an acceptable picture of Harris as well as a good account of the long-sustained assault he so resolutely directed.

The author, who spent 21 years in the Army before embarking on full-time research and writing, already has one book on the RAF to his credit—a study of the first "thousand-bomber" raid.

resources which in 1942 were postulated for its decisive success. But not was anything else in itself decisive—not the Russians, or the Americans, or the Army, or the Navy, or the tactical air forces.

with the strategic air forces, they at length worked out. If we are looking for decisiveness as a test of success in World War II, the nearest case can probably be found in area bombing, applicable to the attack on Hiroshima and Nagasaki.

with his characteristic combination of exquisite scholarship, charm and humour. "Many men have been forced to teach elementary subjects while their minds dwell on higher things."

A young English widow takes her two children to America for the summer, to ease bereavement in the neighbourhood of some relatives.

of her husband, a suspended cop, comes to help investigate. There is rather too big a cast of characters and rather more than one wants to know about colour-blindness in this novel; but the setting is persuasively described.

The Night They Murdered Chelsea, by Margaret Blumman. Collins, £2.95, 176 pages

Crimes

BY WILLIAM WEAVER

A Trail of Ashes by Marian Babson. Collins, £2.95, 179 pages

Seeing red by Roger Ormerod. Constable, £2.95, 192 pages

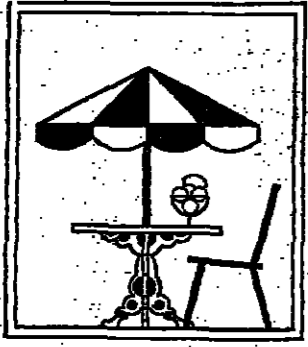
A retired scientist dies in a car-crash, which is accepted as an accident by everyone except the victim's daughter. A friend

HOW TO SPEND IT

by Lucia van der Post

FILE FROM ABROAD

In the dog days of August, when thoughts turn to foreign parts, it seems a good time to take a look at what cities other than our own have to offer. Here, three of our Foreign Correspondents write about places they know and love. This week, Monte Carlo, Athens, Lisbon...



ATHENS

"The joking, jostling and haggling—and why not, the quarrelling—are what life in Greece is all about."

Andriana Ierodiakonou

MEETING VISITING friends at Athens airport, I always find myself thinking that someone ought to put up a sign reading: "Abandon all visions of white marble columns, neath Attica skies of a pristine blue, all ye who enter here."

That is what life in Athens is not about. Alas, the Greek capital has long since ceased to be a marvel of classical grace. It cannot even aspire to the claim of being an attractive modern city. Yet Athenian city life is not totally without charm. It's just that much of it is hidden, requiring dedicated exploration to discover, as a permanent resident, obscure to the average guidebook-in-the-hand visitor.



enough left to appease aficionados. Never mind the film—which is likely to be a release of a certain age, and not the sort of stuff that Nigel Andrews rave reviews are made of. The art lies elsewhere—in the moon, for a start, and the sheer experience of sitting in body-temperature night-air, which is not to be confused with weather, and watching a movie.

I like the Aigi cinema, which functions as a sort of annex to an outdoor cafeteria beside the colonnaded Zappeion Hall, next to the Zappeion Gardens—the closest thing Athens can boast to a Central Park. This explains why the Aigi seats have little tables attached to them. Before the film, or in the interval, one can summon a waiter and order a drink, rather like a drive-in without the cars.

ful peoplehood notwithstanding. Having finished inspecting the lime green Lamborghini revving up at the kerbside, and exhausted all patience and sign language trying to attract the waiter's attention, then what? The answer, as I eventually discovered, lies in taking along a Greek friend to read the square for you, rather like a fortune teller reading one's palm—why that man ever there, passed that group without saying hello and wasn't that Melina who just went by? All of Athens, my dear, is there, with its intrigues and passions.

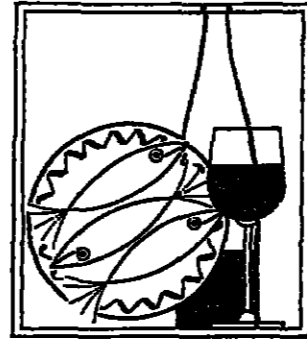
If you're a visitor, go anyway for the icecream. The third cafe along, left to right, makes its own and is excellent. In my neighbourhood, the Plaka, little tables have latterly begun to be employed in setting up daintily designed tea—and coffee rooms—a bit hermaphroditic culturally (they bravely stick to Greek hours and serve orange, spice tea undisturbed until two in the morning). But restful and pleasant compared to the crowded, tired cafes of the area.

to May, and because even in winter its exterior is so unassuming it can easily be missed anyway. Called Zafiris, after the family which has run it since the early part of the century, it specialises rather unusually in game. I can safely vouch for the wild duck with green olives, and the yoghurt with honey and walnuts (strawberries as well in season) for dessert.

The other thing about Athens is leaving it—there are ways of quickly and inexpensively finding oneself somewhere completely different. In the winter, which can be truly dreary, go to Salonika, Greece's "other city." I say. It costs only about £23 return on Olympic Airways and involves a 30-minute take-off-to-landing journey. Salonika has much better food than Athens—try the Olympus Naoussa restaurant on the water front. And for shopping, the Salonika antique shops and flea market can offer good Turkish rug buys, many originating from dismantled Greek households in Istanbul (call it Constantinople in Greece where there is little sense of humour about the fall of the Byzantine Empire to the Ottomans).

half-hourly ferries for Aigina, is a perfect one-day excursion. For a long time I scorned Aigina, as a sort of island suburb of Athens. But not so. I particularly like taking the bus from Aigina town to the small village of Perdika (Partridge) on the other side of the island. Then on another 10 minutes by water taxi—lucratively converted fishing boats—as to the outcrop of rock known as Moni.

This is a nature reserve, and don't be startled by the sight of peacocks running about under the pines. The water is, to the naked eye at least, crystal clear. Shopping in Athens is also getting better. Greek shoes and handbags are now available in very competitive designs and colours and are worth taking home. There is also the local silver jewellery, traditionally worked in combination with amber, but also with turquoise. I am consistently surprised by the low prices and design quality. If all else fails, make your way to the Athinas Street market—a huge, old fashioned saluted-herring in barrels and olives-by-the-kilo sort of place and stock up on olive oil, feta olives (there are innumerable varieties) and all sorts of dried nuts and fruit.



LISBON

"... sit under an umbrella with a plate of prawns and bottle of chilled white wine, watching the waves break on the rocks."

Diana Smith

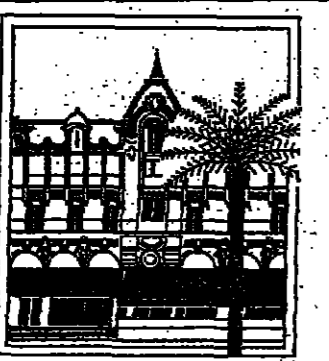
A PUNGENT, clinging aroma wafts into my patio. My neighbours are charcoal-grilling fresh sardines for lunch in their back yard.

Were I a gravity-defying cat in an old Hollywood cartoon I would desert my typewriter, beat next door on billows of fish-smoke whiskers joyfully a-quiver and snatch sardines from their bed of rock salt. Being an earthbound correspondent, not a flying feline, I content myself with a sniff and a splutter when the smoke gets too acrid, and the thought that if it wasn't so hot and my patio wasn't so nicely sheltered from midday dust, I'd go to the Feira Popular or the Parque Mayer and invest a couple of hundred escudos in a plate of fresh grilled sardines and a sip of light white wine. Summer means the heady smell of relatively cheap sardines to the people of Lisbon. Areas like the Parque Mayer in the centre off the Avenida da Liberdade, and the Feira Popular, a huge hot-potch of amusement park, restaurants and trade exhibits at the top of the Avenida Da Republica, offer a variety of sardine and wine with no frills, indoors or outdoors.



seeing—which in Lisbon often means scaling steep hills—and eager for clean air after inhaling traffic fumes. The Tivoli's garden is a special haven. Sitting in the park is not the same, especially if you are a woman—male strollers assume you want them, not a rest. A haven of a different sort is the Gulbenkian Museum, one of Europe's best-designed museums, housing the collection of "Mr Five Per Cent," oil billionaire Calouste Gulbenkian who died 29 years ago and left his assets to Portugal in gratitude for the refuge the country gave him in World War II.

or more for two nowadays. It is to me the prettiest most unpretentious luxury restaurant in town, where you can talk business or enjoy the company of friends without worrying about the service. Many luxury restaurants, often with very slow service, favour dishes littered with puff pastry, drenched in sauces, more suited to solid local stomachs than to aliens who cannot digest huge meals with wine. People like me take note of places where grilled fish is not drowned in butter and stick to them for business meals: Gaubrius in the Rua Das Portas De Santo Antao is another expensive but liver-sparing haunt, with impeccable shellfish and a quiet atmosphere. Lisbon is not too exciting for foreign shoppers. Sports or knitwear, leathergoods or footwear if more stylish than they used to be are more expensive than in Madrid or Rome. Still shoe manufacturers have become more daring and women's shoes are now more enticing. Also inexpensive cotton sportswear signed by Ted Lapidus made in Portugal is found in many boutiques.



MONTE CARLO

"The Riviera... is not just a big cliché of grand hotels, yachts, millionaires, wild parties, and crowded beaches."

Paul Betts

DURING President Mitterrand's state visit this year to Monte Carlo, I spent about five days at the Hotel de Paris. My parents have lived in Monaco for the past 25 years and as a child I always had wanted to spend at least a night in what remains a monument to the Belle Epoque.

The hotel with all its rococo trimmings lives up to its reputation—despite its increasingly American penchant to lodge convention visitors and all the new skyscrapers around it which have rapidly transformed Monte Carlo into a mini Manhattan on the Mediterranean.

By my bedside, I discovered the glossy magazine of the Société des Bains-de-Mer, the company controlled by the prince and the proprietor of the august establishment. My attention was caught by a huge headline across a two-page spread of luxury goods, which said: "For the very beautiful and the terribly rich."

I felt I was really indulging in the make believe and slightly ludicrous world of millionaires, the big money yacht and sprawling set of those expensively clad and glittering ladies whose décolletés and conversation suggest they are not fiction when they roam. As a "local boy," I found the whole thing disorientating. The Riviera, though, if you have lived there for any while, is not just a big cliché of grand hotels, yachts, millionaires, wild parties, and crowded beaches. In the summer, the coast can be very beautiful—that is if

you stick to all the obvious places. But you can escape the smell of sun-tan oil blended with garlic, the noise and traffic by the smallest of detours.

If you are in Monaco go and see the Fish Museum on the rock—it is run by Captain Cousteau and is one of the best in the world—and the "exotic garden"—a spectacular hanging garden, full of good bouillabaisse restaurants. Once a week, most Monegasques and residents of the coast drive to Ventimiglia to stock up on food, leather shoes, sheets, drink, flowers and anything else for that matter, taking advantage of the fact that things cost about half as much on the Italian side of the border. If FF 10 are roughly £2,000, then you get for £1,000 what you would buy for FF 10 in France.

Ventimiglia itself also offers a pleasing contrast to the somewhat manicured French Riviera of Menton and Nice. It has a southern Italian quality about it with dusty dirty palm trees, ugly battered buildings which have their own charm, and the wonderful smell of Italian coffee. Just by the covered market, there is a remarkable little restaurant (I think called Cuneo) where the spaghetti, with clams, fresh parsley and tomato sauce is as good as anywhere else in Italy.

Back in France, or rather Monaco, and look North. You just have to leave the skyscrapers and drive up the steep escarpment behind the principality and you will come across modest little houses with hougatavillages and geraniums and inevitably some less modest ones. But you can hear chickens and the atmosphere and smells are Provencal.

Above Monaco, there is the old village of Roquebrune and the village of La Turbie on the way to the Monte Carlo golf club with its spectacular course about 1,000 metres above sea level dominating the Mediterranean. La Turbie has a Roman monument, one good restaurant, a villa which Nureyev appropri-



ately owns or owned, a perfume factory which can be visited. Not far is the local shrine of the Madonna of the Laghet. The church of Le Laghet is covered with ex-votos—pictures or silver offerings to the Madonna depicting the miracles she is supposed to have performed. School children come to Laghet before their exams; families when one of their members is sick; even Queen Victoria used to come here. For that matter she also used to go to Ventimiglia and Bordighera in her train with the curtains drawn so as not to see the obscure Monte Carlo, presumably to shop, like everybody else, in Italy.

The entire arriere pays, as the back region is known, is the source of constant surprises: small cliff-climbing villages, deep gorges, mountains whose forests of pines are cursed each year by rust devastating fires stoked up by the Mistral wind. Beyond Nice, there is Grasse and Saint Paul and a host of lesser known places that have their own distinct charm. And the sea is always a short drive away. It is this capacity to offer a back country that has changed little since Cezanne painted it and the sea-side with all its

modern commodities (some perfectly horrid like the vast pyramid-like flat complexes) which is one of the coast's big assets.

But what about the coast itself? Westward from Monaco the lower corniche to Nice passes by Beaulieu, Villefrance and the Cap Ferrat. I used as a child to take a bus everyday to the American school in Villefranche when the U.S. navy was still there before de Gaulle kicked it out. This particular piece of the corniche has not changed. It has some of the best and most expensive hotels of the Riviera; but it also has more modest places like the Welcome on Villefranche's harbour by the small fishermen's chapel decorated by Cocteau.

Like most people who have lived on the Riviera, you get to know your piece of the coast and not so much the rest. Beyond Nice, which has become big and unpleasant, there is a territory which includes Cannes which I don't know and indeed care little about.

Beyond that is Saint Tropez, which I visited once and found full of charm. In the summer, however, I am told it becomes an expensive version of the Club Med. I am also told the Brazilian one-piece swimming togs is the rage there this season.

More recently I discovered the coast around Marseilles, a big noisy colourful, in some aspects unsavoury, city.

Not far from Marseilles, there is Cassis surrounded by some of the best vineyards in the region and some of the bluest waters of the Mediterranean. A little boat takes visitors round the multitude of little bays locally called calanques. But it is the road which climbs up the steep cliffs between Cassis and La Ciotat that is really spectacular. It makes the cliffs of Dover seem small. And La Ciotat with its shipyard right in the middle of the fishing port (and this may be what the French call a deformation professionelle) forms a remarkable complex.

At the end of the day, however, what the coast is really all about is having a drink or tea in the Hotel de Paris with one of those impossibly painted ancient ladies with their tiny dogs who count every penny but who probably really did have someone once drink champagne from their shoe in Maxim's. A late veteran correspondent of the Daily Telegraph used always to say they were the best sources.

modern commodities (some perfectly horrid like the vast pyramid-like flat complexes) which is one of the coast's big assets.

But what about the coast itself? Westward from Monaco the lower corniche to Nice passes by Beaulieu, Villefrance and the Cap Ferrat. I used as a child to take a bus everyday to the American school in Villefranche when the U.S. navy was still there before de Gaulle kicked it out. This particular piece of the corniche has not changed. It has some of the best and most expensive hotels of the Riviera; but it also has more modest places like the Welcome on Villefranche's harbour by the small fishermen's chapel decorated by Cocteau.

Like most people who have lived on the Riviera, you get to know your piece of the coast and not so much the rest. Beyond Nice, which has become big and unpleasant, there is a territory which includes Cannes which I don't know and indeed care little about.

Beyond that is Saint Tropez, which I visited once and found full of charm. In the summer, however, I am told it becomes an expensive version of the Club Med. I am also told the Brazilian one-piece swimming togs is the rage there this season.

More recently I discovered the coast around Marseilles, a big noisy colourful, in some aspects unsavoury, city.

Not far from Marseilles, there is Cassis surrounded by some of the best vineyards in the region and some of the bluest waters of the Mediterranean. A little boat takes visitors round the multitude of little bays locally called calanques. But it is the road which climbs up the steep cliffs between Cassis and La Ciotat that is really spectacular. It makes the cliffs of Dover seem small. And La Ciotat with its shipyard right in the middle of the fishing port (and this may be what the French call a deformation professionelle) forms a remarkable complex.

At the end of the day, however, what the coast is really all about is having a drink or tea in the Hotel de Paris with one of those impossibly painted ancient ladies with their tiny dogs who count every penny but who probably really did have someone once drink champagne from their shoe in Maxim's. A late veteran correspondent of the Daily Telegraph used always to say they were the best sources.

P.S. and it's sent with care! Dear Mum and Dad, We were very sorry to miss the celebrations, but we've arranged to send you something special so that you can't miss our absence! I know you'll love the selection we have made for you, because every item is top quality food and wine. They'll deliver anywhere in the UK, of course, and their service is first class. All our love, Bob & Rita XXX

Racal goes fishing for Chubb

By Guy de Jonquieres and Ray Maughan

Targeting with no target

REIFICATION is an interesting, if somewhat obscure, philosophical term, well known to sociologists and cognitive psychologists, but as yet unfamiliar to the majority of High Street bankers and investors in the gilt market. This ignorance needs to be rectified. To reify is "to convert an abstract concept mentally into a thing of material reality." Armed with this definition participants in the foreign exchange and money markets should have no trouble making huge fortunes. For reification appears to provide the vital clue to the most mystifying question of contemporary discourse in the City of London: what on earth is the Bank of England up to?

There is no need to reconstruct in detail the sequence of ups and downs in the fortunes of sterling, the money supply figures and clearing bank base rates over the past few weeks to detect a certain ambivalence about the authorities' monetary operations. The alacrity with which the Bank this week led interest rates lower, accompanied by the governor's statement on Monday that there had been "no case in the domestic monetary situation" for last month's interest-rate jump, left a suspicion that the rules of the monetary game were perhaps in a state of flux.

Undertone
If domestic monetary conditions did not justify higher interest rates, it was hard to resist the inference that external conditions, as manifested in last month's slump in sterling's trade-weighted exchange rate, must have had something to do with it. Of course the Treasury and the Bank dismissed heretical suggestions about having adopted an "exchange rate target." But the race between the Bank and the discount houses to push interest rates down on Wednesday and Thursday inflamed the heretics again.

Admittedly, the cut in interest rates could be justified by Tuesday's spectacularly bullish money supply data; but would the Bank have signalled a second base rate cut had it not been for the weakening of the dollar and the firm undertone of sterling after Wednesday's interest rate decline?

Concern
It would be churlish to dispute the Governor of the Bank of England, when he insists, as he did in his interview in The Times on Monday: "There is no exchange rate target level and we are content to see the exchange rate move with market forces." The Bank does take the exchange rate "into account" in interpreting the monetary aggregates; but this does not mean tightening monetary policy whenever sterling happens to weaken. Far from it: last month, for instance, the Bank judged that domestic

monetary conditions were "satisfactory," according to the Governor, despite the weakness of sterling. This seems clear enough, except for one caveat: despite the satisfactory domestic conditions, the Bank did concede the biggest interest rate jump for two years. Is the exchange rate the dominant influence on interest rates after all then? Perhaps the thought, the Governor tells us, Interest rates rose not because of the Bank's concern about the slide in sterling, but because the fall in the exchange rate "started rapidly to unsettle domestic markets." What with all this upstet and foreigners selling sterling as a result of the dockers strike, "there was such a strong move in the markets that failure to act would have been dangerously misunderstood."

Reality
Confused? No need to worry, for this is where our friend reification comes to the rescue. The Bank is doubtless sincere in denying any deliberate shift towards exchange rate targeting as an abstract concept about the way to conduct monetary policy. Instead, it has responded to what it saw as the concrete reality of a threatened run on sterling.

What we have had, for the past few weeks at least, is a sort of shadow exchange rate targeting imposed on the Bank by the markets. Whether it will continue probably depends on the volatility of international events in the coming months. As long as movements in the exchange rate are gentle, the Bank and Treasury will probably be satisfied to allow sterling to find its own level. But if strong speculative pressures build up again, particularly on the trade-weighted exchange rate, the Banks can be expected to defend the currency again, even at the cost of an otherwise unwarranted rise in interest rates.

Haven
There is only one major criticism which can be made of such a generally pragmatic policy: if the world economy remains as turbulent as it has been for the past few years, Britain may end up paying a higher price in terms of interest rates, than it would have done, either with a totally hands-off approach to the exchange rate or with a more explicit exchange rate target. The major Continental European countries have much lower short-term interest rates, relative to their rates of inflation, than Britain and they have been considerably more successful in decoupling from the fluctuating dollar. In the stormy world environment which is likely to continue for the foreseeable future, the European Monetary System looks like a safe haven of relatively low interest rates which Britain may be unwise to ignore.

CHUBB & SONS, one of the world's best known locksmiths, has spent the last fortnight on standby, waiting for the bid which its share price said was imminent. The offer came, unexpectedly, from Racal as Chubb joined the long list of famous British companies which have faced takeover bids this summer.

The scale and audacity of the bidding wave has stunned the City. For it has involved some of the country's biggest companies and the deals proposed have sometimes seemed to lack a clear industrial logic. As Racal started its quest yesterday for the support of Chubb's uncommitted shareholders, Standard Telephones and Cables was continuing its talks with ICL, Britain's only major mainframe computer manufacturer, on a possible merger.

Meanwhile, the battle started by Tate & Lyle for control of Brooke Bond is warming up—but such is the state of bid fever within the Square Mile that Tate itself is reckoned a likely target. Grand Metropolitan is pondering a £175m plus bid for Horizon, the holiday tour operator. Mr Robert Maxwell has parted with over £100m for Mirror Group Newspapers and the rumour mill remains in constant action.

One of the summer's most ambitious electronics bids was short-lived: Thorn EMI, the consumer goods manufacturer, dropped its merger talks with British Aerospace. This was partly because the stock market was not really prepared to swallow the thinking behind such an amalgamation and because GEC was lurking in the wings with an offer of its own for BAC, which however, now seems to have been put on ice. Behind the move lies the fact that corporate liquidity is high as industry reaps the benefits of retrenchment and managements are therefore in a more predatory frame of mind. Underpinning their aspirations is a

RACAL

RACAL ELECTRONICS. Activities include radio and data communication, marine and energy electronics, defence radar and electronic security. Racal's total sales for the year ending March 31 were £365m with 70 per cent, £265m, accounted for by export sales outside of the UK. Sales to the Americas and inside the UK each represented 30 per cent of the total. Pre-tax profits for the year were £119.2m, a record for the 29th year in succession. Racal has over 18,000 employees.

CHUBB

CHUBB. Principal activities, locks and safes, fire and electronic security. Employs over 14,000. Sales for the year ending March 31 were £318m, with pre-tax profits of £14.3m. UK home sales accounted for over 30 per cent of the total, followed by a 15 per cent share for Europe.



Sir Ernest Harrison, chairman of Racal, and the scene on the Stock Exchange yesterday as trading in Jaguar shares opened



Trading in Jaguar shares opened

growing recognition that the business cycle is peaking and that this is therefore the time to bolt on new acquisitions.

What is the logic of a Racal-Chubb link-up? Though Chubb has moved profitably into electronic systems, much of its business remains in mechanical products such as safes and locks. It therefore seems unlikely in its present form to enhance greatly the glamorous high-technology image which helped make Racal a stock market high-flyer in the 1970s.

However, Chubb has at least two other attractions. In the short term, it seems likely to respond to the management skills which Racal successfully applied to Decca after taking

it over in 1980. Further ahead, Chubb's sizeable UK customer base and brand name offer interesting prospects for diversification.

Chubb's recent performance has hardly been inspiring. Its pre-tax margin on sales of 4.5 per cent last year compared with Racal's 14.6 per cent. Mr David Elsbury, Racal's deputy chief executive, believes Chubb's margin could be raised to around 10 per cent within a year or so of acquisition.

With sales per employee of £22,000 last year (half Racal's level), Chubb appears heavily manned. The balance could be partly redressed by disposals. Hawker-Siddeley is interested

in Chubb's fire service business, while Racal does not seem particularly keen on keeping the labour-intensive security guards operation.

Mr Elsbury believes, however, that Chubb's locks, safes and electronic systems activities can be successfully combined with Racal's own operations to produce a comprehensive security business serving Government and corporate customers as well as ordinary householders.

It is particularly interested in the 28 UK sites from which Chubb operates remote security services for several thousand UK customers. This network could provide a ready-made

channel for selling Racal's existing data communications systems and other electronic equipment and is also viewed as a potential customer for the cellular mobile radio service which Racal plans to start operating next year.

Racal is already involved in various aspects of security, including sensors, encryption devices and voice-scrambled systems, which provided sales of about £128m last year. It believes that these could be combined with Chubb's resources and sold both in the U.S., where it has a large data communications business, and as part of the defence communication

system which it supplies chiefly to developing countries.

Just how well the different elements would mesh together in practice remains to be seen. For instance, while Chubb may provide ready-made sales outlets in the UK (which accounts for less than one-third of Racal's total turnover), it is not yet clear how effectively Racal's U.S. data communications sales force can apply its talents to security systems.

Nonetheless, Racal clearly sees Chubb as consistent with a pattern of diversification which it has been pursuing for some time in an attempt to develop from its previous role as a product manufacturer into a more broadly-based supplier of sophisticated electronic systems and services.

Racal's golden reputation in the City has slipped in the past two years. Though profits have continued to rise, the rate of growth has disappointed many investors. The main problems have been a weakening of tactical radio sales (many of its customers are Opec members) and difficulties in its U.S. data communications business—which have no when solved.

In its quest for future sources of growth, the company has been investing in a number of new ventures. Some, such as banking terminals, have already been highly successful. Others, including cable television systems, have still to prove themselves.

Racal's biggest gamble of all is its planned investment of some £100m to build a national cellular radio network, due to start operating next year. As part of the marketing build-up for the cellular service, the company has been running a television advertising campaign built around the slogan "The biggest company you've never heard of." Whatever else Chubb may do for Racal, it will at least provide it with a household name.

JAGUAR: WHY THE STAGS MADE ONLY A VERY MODEST KILLING

"ARE THEY what you call bulls and bears?" asked the puzzled policeman as he viewed the spectacle of hundreds of people pushing and shoving to get fistfuls of forms into a number of boxes.

He looked none the wiser when told that this particular species of City animal was the stag which appears infrequently but always in great numbers.

The policeman was standing in the foyer of Fleetway House, the new issues department of Barclay's Bank at the edge of the City. He was one of half-a-dozen policemen brought in to try and control the melee, as hopeful investors arrived in their hundreds to put in last-minute applications for shares in Jaguar the luxury car manufacturer, being floated on the Stock Exchange by B.L.

Stagging is a mysterious phenomenon to the many and a way of making a quick buck for the few. Stags are speculators, drawn by the prospect of an almost guaranteed, though unquantifiable profit.

They appear when a new company is going public and offers its shares at a price which the market decides is too low and therefore, an attractive investment. Stags expect the shares to open at an immediate premium, giving them the chance to sell and make a quick profit.

"There comes a point when you know you can't lose. You don't how many shares you will get or what the premium will be, but there has to be a profit and you've got to go through with it," said one experienced stag.

Veteran stags were on the alert from the day the Jaguar offer for sale share price of 165p was announced. This was at least 10p to 15p below the forecasts of investment analysts.

Excitement gradually mounted in the days running up to August 3 when applications closed. The Stock Market performed particularly well, increasing in value by 8 per cent from the day Jaguar's shares were priced. The dollar continued to strengthen against sterling, good news for Jaguar as the U.S. accounts for 54 per cent of all sales.

Bank managers appear to be quite helpful in arranging temporary overdrafts for the week between applications closing and dealings starting. A reshuffling of funds into the accounts of different members of a family is one popular way of increasing the number of applications.

Some investors take out their building society savings for the week of the Building Societies Association attributed the level of withdrawals last week in part to the Jaguar issue. Most of the funds will be back on deposit early next week.

Stages rely on the fact that a proportion of their cheques will not be cashed. It is illegal to write out a cheque which is not backed by funds, but

undoubtedly, if all the cheques had been cashed, some stags would find themselves in financial trouble.

Around £2.4bn flowed into Barclays Bank chasing Jaguar shares. BL cashed all cheques for applications above 1,000 shares and earned around £300,000 a night in interest on the money.

Applications for under 1,000 shares went into a ballot, and only the cheques of successful applicants were cashed. Many stags keep their applications to the lower levels for this reason, filling in tens, and sometimes hundreds of forms at different denominations.

Barclays Bank made painstaking efforts to weed out multiple applications in the interest of small investors. Nevertheless some did manage to get through. They rooted out around one in ten applications at the first sorting. They then undertook a second review of applications which has been successful in the

ballot.

"Some of the bundles were abnormally thick so we had another purge," says Robert Dutton of Jaguar's merchant bank Hill Samuel. He admits that some will have got through but "we are quite pleased with the measure we took to attack the problem."

The second purge took place after the cheques had been cashed, a new move and one which "will have shaken stag houses all round the Kingdom," according to one investor, a lawyer practising in the West End.

Stags have done well out of the Government's privatisation programme, making money out of the flotation of companies such as British Aerospace, Cable and Wireless and Amersham International.

Amersham, in February 1982, was the most spectacular. The offer for sale of 50m shares in this high technology company, which makes products based on radioactive materials, was oversubscribed over 23 times, bringing in

£1.75bn and going to an immediate 38 per cent premium.

The Labour party has repeatedly accused the Government of cheating the taxpayer by selling off public assets too cheaply.

The criticisms were raised over Jaguar, with calls for an end to fixed price share offers. However, the company and its financial advisers now feel they have been vindicated in fixing on the price they did, given the modest premium of around 10p at which the shares took off yesterday.

This means that a stag who applied for 50,000 shares (with cheques totalling £82,500) and was allocated 5,000 would only make around £300 by selling yesterday, taking into account both commission fees and the interest he would have foregone by taking his money out of a deposit account.

Alison Hogan

Public supply policies

From the Managing Director, Roland Wollan Associates.
Sir—Two reports of the Public Accounts Committee, published during the past few weeks, highlight the urgent need for remedies (as well as diagnosis) in dealing with problem areas involving public procurement and supply policy in two of the highest-spending Government departments.

The first concerns purchasing arrangements for supplies to the National Health Service. While it is true that one of the major tasks of the Health Service Supply Council, set up four years ago, was to identify areas in which savings could be made, it was made clear from the outset that initial objectives could not be achieved under the existing structure. Having regard to the great size and relative importance of the NHS as a major public service, the necessary organisational changes clearly take time to implement. These changes are proceeding and savings already realised have outweighed the cost of the supply council administration many times over.

The second report deals with the economy of stores support in the Ministry of Defence, and gives less cause for optimism. A review of the ministry's organisation has been ordered covering the provision of supplies to the Services but one is prompted to ask whether the necessary expertise will be available at both strategic and implementation levels to tackle this enormous task. Apart from a stores inventory "valued at some £5bn" there will be many millions worth of capitalised equipment as well as items written down and obsolete stocks. Some parts of the MoD civil and military strength have staff

resources and experience in supply management but it would be reassuring to know that this review body recognises that the one vital prerequisite for putting to rights this situation of great public concern, is an adequate corps of properly experienced and qualified staff. The Treasury could not work without professional accountants and systems experts. Public supply organisations cannot work without effective purchasing and supply managers. J. R. Gammon, (Past President, Institute of Purchasing and Supply), 11, Clarendon Grove, Clevedon, Avon.

The vanishing pound
From Mr A. Taylor.
Sir—I noticed, August 12, that you referred to hostile criticism of the £1 coin. This seems rather strange as I find it to be a very useful coin. One of the reasons why so few appear to be in circulation is because it is a nice chunky coin to save in pizza boxes, boxes

and whatever comes to hand. I look forward to receiving one of these every time I go to the shops, but I find that only Marks and Spencer provides them as change. I hope the Treasury retain these coins. I like them and I believe many other people do as well. Alex. Taylor, 10, Pagnons Road, Wakefield, W. Yorkshire.

Letters to the Editor

Reversing the Lords
From Mr M. Daniels.
Sir—The article by Jack Owen on August 2 mentions a Government decision that certain amendments to the Royal Ordnance Factories Bill, made by the House of Lords, "must be reversed."

On what compulsion? If the Lords stand their ground, would the Government seek to enact its plans under the Parliament Act 1949, which has so far never been used? The likely consequence would be action in the courts to determine whether the 1949 measure, never passed by the Lords, has statutory force. The Lords would then know how feasible is Labour's pledge to remove their legislative powers.

There is a case for preserving such powers as a check on Governments representing only a minority of the voters. M. B. Daniels, 134, Bradshaw Road, Bradshaw, Bolton, Lancs.

Putting up the shutters
From Mr A. Hunter.
Sir—Prevailing public opinion in Continental Europe that the British Government is anti-European may have received another boost. It is widely known to those in trade and investment that

already been taxable in the hands of the insurance company, subject to higher rate taxes in the hands of the bond owner. For some investors the loss of the opportunity to make use of annual capital gains tax exemption is a disadvantage. Those who have invested in the bonds with a view to taking the "5 per cent tax-free annual income" should note that the income is not tax free and may have paid tax at the 37.5 per cent rate that insurance companies pay on unfranked income, and they should also bear in mind that they have limited their income in an age of inflation. For example, in the case of an investment of £100,000 in 1974 to give an income of £5,000, the investor would now require £17,583 a year to have the same purchasing power.

If legislative action is taken to negate any tax saving advantage of the bond schemes one would expect it to take the form of a re-enactment of the provisions of the 1909-10 Finance Act which related to gifts in which the donor "retained an interest." The Inland Revenue was perhaps a little unwise to allow the wholesale repeal of the estate duty legislation when capital transfer tax was introduced.


Those who use bonds for tax saving schemes should arrange a fairly early demise, otherwise the amount the insurance company collects in charges outstrips the duty saving even on an amount as high as £100,000, if it represents a first capital transfer. G. W. Gardiner, 3, Mally Ports Close, Knutsford, Cheshire.

Stuttgart, or rather the Baden-Württemberg area as a whole, is one of the most important industrial bases in Germany. It has the lowest level of unemployment, the highest income per capita, and the highest level of foreign trade. It has benefited from the trend for business to move south. Not only has it the vital modern industries but also the infrastructure and political determination to remain in the forefront.

Against this background it is surprising to find Britain closing down its consulate general in Stuttgart instead of seeking to maximise the growing opportunities for trade and investment here where "the action" is. Instead of organising a small enthusiastic, energetic, commercially orientated consulate to make the most of the possibilities, Britain is putting up the shutters.

Allan M. Hunter, Post Warwick Mitchell & Co, Buchsenerstrasse 18, D-7000 Stuttgart 1, West Germany.

Good working relations
From Mrs S. Hynes.
Sir—Mr A. Elliot August 6 claims that Britain is finished as a great nation if the unions do not change their ways. He then gives just one line to the restrictions and old fashioned ideas of some employer groups. Perhaps union members and workers in general would become more flexible and, in short, "good workers" if employers and management treated them with the respect that is due to every human being. We all have something to contribute and we all like to have appreciation shown for our efforts. Change cannot come spontaneously from the bottom, it has to be the result of effort and goodwill on behalf of those who manage our industries. Mrs Susan Hynes, 6, Leas Road, Heaton Moor, Stockport, Lancs.



Clydesdale Bank PLC

BASE RATE

Clydesdale Bank PLC announces that with effect from 13th August 1984, its Base Rate for Lending is being reduced from 11½% to 11% per annum

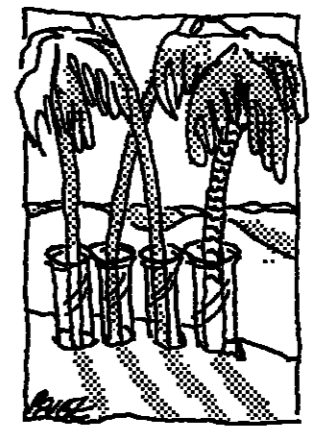
Change cannot come spontaneously from the bottom, it has to be the result of effort and goodwill on behalf of those who manage our industries.

Test Tube Plants

Thanks to France, palmy days may be here again

By David Marsh in Paris

YOU ARE as stately as a palm tree; your breasts are the clusters of dates," wrote lyrical rapture the Old Testament poet in the Song of Songs.



Restoring palms in the deserts may be big business. Total, the French state controlled oil company, which already helps run agricultural projects in Abu Dhabi and Oman, has held talks with French scientific institutes about setting up a possible joint venture in Arab countries and other parts of the world.



Frankie is left in the foreground, with members of his group

Britain's Pop Music Industry

So can Frankie go to Hollywood?

By Carla Rapoport

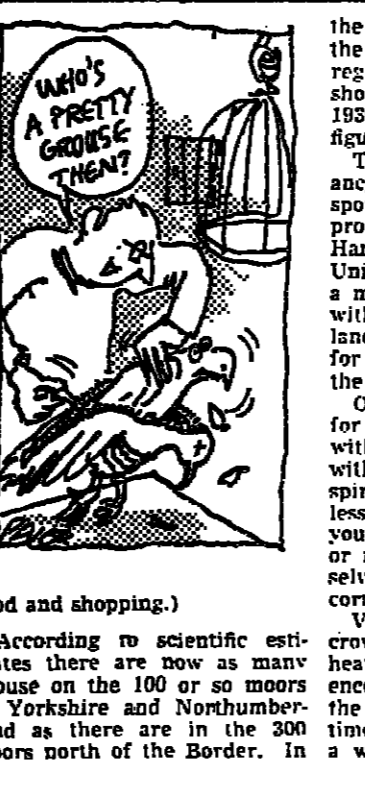
record companies are realising that the bright, high-fashion dress and make-up of British groups provide elements of excitement that are almost as important as the music itself.

ONE of the unsung successes in Britain over the past few years has been the stunning invasion of America by the British pop music industry.

described as menacing in nature. The video for Two Tribes features a most ungentlemanly fist-fight between actors playing President Reagan and Mr Chernomir, the Soviet leader.

Weekend Brief The vanishing all-rounder COULD THE GROUSE become extinct in Scotland? Wild fluctuations in grouse stocks have been common in the moors over the years, but since 1977 the outlook has gone from bad to worse and alarm is spreading over the fate of this part of the Scottish landscape.

mine-host in pinstripe IT IS NOT often that a central bank is involved in a takeover bid. The exception to the rule is the Swiss National Bank, which recently offered SwFr 2,000 per share to minority shareholders of the five-star Hotel Bellevue-Palace-Bernhof in Berne.



the south-west of Scotland — the Dumfries and Galloway region — about 125 birds were shot in one square kilometre in 1980, a very good year. The figure is under 10 today.

mine-host in pinstripe IT IS NOT often that a central bank is involved in a takeover bid. The exception to the rule is the Swiss National Bank, which recently offered SwFr 2,000 per share to minority shareholders of the five-star Hotel Bellevue-Palace-Bernhof in Berne.

the shops by the runway IF YOU ALREADY have a twinge of envy for friends who are heading off to Greece and her islands this weekend, do not read on: to do so will only make matters worse.

the shops by the runway IF YOU ALREADY have a twinge of envy for friends who are heading off to Greece and her islands this weekend, do not read on: to do so will only make matters worse.

the shops by the runway IF YOU ALREADY have a twinge of envy for friends who are heading off to Greece and her islands this weekend, do not read on: to do so will only make matters worse.

wages for the keeper, agents' fees, rents for neighbouring moors, insurance, transport, cartridges, tools and so forth.

Table with columns: Share Price, Sub an, % ch, % fall, % rise, % others. Rows include Abbey National, Aid to Thrift, Alliance, Anglia, Barnsley, Birmingham and Bridgwater, Bradford and Bingley, Britannia, Cardiff, Catholic, Century (Edinburgh), Chelsea, Cheltenham and Gloucester, Citizens Regency, City of London (The), Coventry, Derbyshire, Gateway, Greenwich, Guardian, Halifax, Heart of England, Hemel Hempstead, Hendon, Lambeth, Leamington Spa, Leeds and Hnlbeck, Leeds Permanent, Leicester, London Permanent, Midlands, Morvington, National Counties, National and Provincial, Nationwide, Newcastle, Northern Rock, Norwich, Paddington, Peckham, Portsmouth, Portsmouth, Property Owners, Scarborough, Skipton, Stroud, Sussex County, Sussex Mutual, Thrift, Town and Country, Wessex, Woolwich, Yorkshire.

Contributors: Mark Meredith, John Wicks, Arthur Sandles

G. M. Firth doubled to £571,000

GROWTH HAS continued at G. M. Firth (Holdings) and for the full year ended March 31 1984 the profit before tax has jumped from £297,000 to £571,000. Turnover almost trebled to £20.67m.

Table with columns: Company, Current payment, Date of payment, Corresponding div., Total for year, Last year. Includes Alliance Trust, Conder Group, etc.

comment G. M. Firth has been hot on the takeover trail, busily remodeling itself from a humdrum steel stockholder with properly interests into a diversified industrial services and distribution group.

Alliance Trust rises to £4.5m midway

NET INCOME at the Alliance Trust rose from £3.3m to £4.5m for the half year to the end of July 1984. Net earnings per 25p share were given as moving up from 6.73p to 8.93p, and the directors forecast a 24 per cent increase for the year to 17p, against 13.75p previously.

Arlen not yet gaining from Pulsestarter sales

INITIAL OPERATIONAL costs incurred in setting up the marketing of the Pulsestarter for fluorescent lamps contributed substantially to a loss of £168,700 incurred by Arica Electrical in the nine months period ended March 31 1984.

Drayton Japan interim lift to £169,000

WITH NET revenue of £169,000 against previous losses of £24,500 for the first half of 1984 at Drayton Japan Trust, the directors anticipate that there will be a sharp increase in revenue received in the second half.

Heavy costs slow down Conder

COSTS OF developments have stemmed the rate of profit recovery at Conder Group in the first half of 1984. But this director of steel frame buildings and supplier of building products and financial services is looking forward to the benefits therefrom, and is expecting an improvement in profitability in the current half.

Earnings came to 3.7p per share (loss 63.1p) and the directors are meeting their promise of a modest interim dividend by declaring 0.75p. The last payment was an interim of 1.5p in October 1982.

First half expansion at MacLellan

An expansion from £21,000 to £176,000 in pre-tax profits for the half year ended June 30 1984 is reported by P. & W. MacLellan, the main business of which is the supply of fasteners, PVC, hardware and tools to the engineering industry, particularly in Scotland.

IBS sales set to top £4.5m

Current year sales by immediate Business Systems were expected to exceed £4.5m, Mr Gordon Griffiths, the chairman, told the annual meeting of the company's shareholders.

Company (PEP) approval of the system specification that had been in progress for some time, as well as authorisation to proceed with the implementation and delivery of the initial phase of the system.

Securiguard buys Concorde Services for £190,000

Securiguard Group has agreed in principle, subject to completion, to the acquisition of the capital of Concorde Armoured Services for £190,000.

opportunities for the expansion of the cash-in-transit facility, a service that has been requested by many of its existing clients. This new service will enhance the opportunity to increase growth and profits.

Highgate & Job returns to the black

After five years of losses, the reorganisation of recent years at Highgate & Job is beginning to have effect. For the year ended March 31 1984, the company made a pre-tax profit of £24,000 against a £166,000 loss previously.

Higher margins at W. S. Yeates

WHILE sales of W. S. Yeates fell from £14.28m to £12.7m - related to exclude trade discounts and Car Tax - pre-tax profits for the first six months to April 30 1984 climbed from £562,000 to £607,000.

£113,000, against £167,000, net profits were £58,000 higher at £494,000. The directors anticipate that provision for deferred tax may be required following the implementation of the Finance Bill and this will be dealt with in the 1983-84 accounts.

Mid Wynd increases dividend

Taxable revenue of Mid Wynd International Investment Trust was little changed at £159,000 in the year to June 30 1984, against £166,000 previously.

Five Oaks calls off property deal

Five Oaks Investments, a property investment company chaired by Mr Murdoch Morrison, has called off the acquisition of a property in Edgbaston, Birmingham. The purchase would have expanded Five Oaks' share capital by 50 per cent through a vendor share placing.

on the property could be subject to assignment. In addition, the share price of Five Oaks has fallen since the deal was announced. The company, and Celador Finance and Trading, have agreed mutually not to proceed with the transaction.

Lupin boost for Echo Bay

CANADA'S Echo Bay Mines, which mined the Lupin gold mine south of the Arctic Circle in the Northwest Territories, is reaping the benefits of increased production.

of next year's production at US\$426. As reported here last week, Echo Bay has agreed to buy out the royalty interest in revenue of the Lupin mine from Inco and Dome Mines for C\$15m.

Brown Shipley

The rights offer by Brown Shipley Holdings of 2,393,644 new ordinary shares has been taken up in respect of 2,302,548 shares (96.2 per cent).

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Mr James Gulliver's supermarket and drinks distribution business Argyll Group made an agreed £35m cash and shares bid for Cleveland-based supermarkets and off-licences concern Ames Hinton. The Hinton family, which controls the company through its high-voting founders' shares, have accepted the offer in respect of more than 60 per cent of the votes - assuring Argyll of success.

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit (£000), Interim dividends per share (p). Lists companies like Al Ind. Prods, Ayrshire Metal P, BOC, etc.

PRELIMINARY RESULTS

Table with columns: Company, Year to, Pre-tax profit (£000), Earnings per share (p), Dividends per share (p). Lists companies like Allied Leather, Asprey & Co, Banks, Sidney C, etc.

Offers for sale, placings and introductions

Rowland Gann - Coming to USM via a placing of 806,600 new ordinary shares. Guest Keen and Nettlefolds - Is backing its acquisition of Book Arley with a £25.3m share placing.

WILLIS TOWERS WATSON

UK COMPANIES

INTERNATIONAL COMPANIES and FINANCE

RESULTS DUE NEXT WEEK

Unilever is expected to report that volumes in both Europe... which accounts for some 60 per cent of group turnover...

£1.5m provisions made for the 300 redundancies. With these factors in mind analysts expect around £12m pre-tax (£6.2m) although at least one is going for £17.5m.

The City will be watching J. Bibby closely on Wednesday when it reports on the first six months to July 2 for the extent of the damage inflicted on it by the restructuring...

Insurance analysts were completely thrown by the abnormal interim figures from Commercial Union this week and are thus wary about predicting the interim results of General Accident due on Wednesday and Royal Insurance on Thursday.

Table with columns: Company, Announcement date, Dividend (p), Last year, This year. Lists various companies like AGS Research, Caledonian Associated Cinemas, etc.

Table with columns: Company, Announcement date, Dividend (p), Last year, This year. Lists companies like Adams and Gibbons, Algonquin Bank, etc.

European Ferries - W. J. Ayers, a director, has sold 117,000 ordinary shares. C. C. Manheim, deputy chairman, has purchased 13,000 ordinary shares at 35p and now holds 18,332 ordinary shares and 36,333 warrants.

French computer group reduces interim deficit

BY DAVID MARSH IN PARIS

BULL, the French state-owned computer group, cut group net losses in the first six months of 1984 to FF 255m (\$29m), confirming the slow improvement in its results.



M. Jacques Stern

The first half loss, which follows deficits of FF 625m in 1983 and FF 1.35bn in 1982, was inflated by FF 40m in provisions connected with Bull's 7 per cent stake in Trilog, the troubled U.S. computer group.

Bull, which last year boosted turnover 21.2 per cent to FF 11.6bn, increased sales by 16 per cent to FF 6bn in the first six months, compared with the same period last year.

At the time, Bull's chairman, M. Jacques Stern, said that administrative shake-ups and technical restructuring had begun to have a profound effect on the group.

Bull has co-operation agreements with a number of U.S. companies apart from Trilog. It has links with Honeywell, which owns 8 per cent of Bull, Convergent Technology and Ridge Computers.

Korea Fund in \$60m shares launch in U.S.

By Ann Charters in Seoul

KOREA FUND, the long-awaited second step in the opening of Korea's securities markets to the foreign investor, is to be launched this month through an offering in New York of shares worth \$60m.

Wal-Mart lifts earnings 42% in second quarter

BY WILLIAM HALL IN NEW YORK

WAL-MART STORES, the second biggest U.S. discount store chain, has registered a 42 per cent rise in second quarter net income, from \$41.5m to \$59.5m on the back of a 37 per cent rise in sales from \$1.09bn to \$1.5bn.

Major cuts in Trilogy workforce

By Terry Byland in New York

TRIOLOGY, the company created by Mr Gene Amdahl in which Sperry and Digital Equipment of the U.S. and Bull, the French group, have substantial investments, has finally abandoned its flagging attempt to revolutionise the computer industry.

Mr Amdahl said that Trilogy is giving up its plans to build and market computer superchips and will concentrate solely on developing conventional semiconductor circuits.

In June, Trilogy announced that it was dropping its original plan to produce a main-frame computer to be driven by the new superchips, each of which would carry the power of 100 of the conventional small microchips.

DSM profits surge in first six months

BY OUR FINANCIAL STAFF

DSM, the Dutch state-owned chemicals group, reports a strong surge in first half profits and says earnings for the whole of 1984 will be substantially ahead of those for 1983.

The group has turned in net profits of FF 289m (\$88.7m) in the six months. This compares with FF 261m for the opening half of last year, and with FF 164m overall in 1983.

DSM clawed its way out of the red in 1983. It says the continued recovery stems from improved capacity utilisation following a 20 per cent increase (one-third of which is volume growth) in chemicals turnover.

Interest charges for the six months fell to FF 16m from FF 47m - the result of greater availability of liquid assets and more remunerative deposit rates.

Philip Morris Australia registers steady growth

BY LACHLAN DRUMMOND IN SYDNEY

PHILIP MORRIS (Australia), the tobacco and wine group, pushed net earnings from A\$ 17.9m to A\$ 33.1m (U.S. \$27.5m) in the year ended June 30 on sales 11.5 per cent higher at A\$ 348m.

The profit includes A\$ 9.3m of abnormal gains from changes to accounting policies. Without these gains, earnings were up strongly to \$23.9m, although all of the increase fell in the first half.

Anglo-Alpha cautious

BY JIM JONES IN JOHANNESBURG

ANGLO-ALPHA, one of South Africa's major cement and aggregates producers, increased turnover and profits in the six months ended June 1984, but is cautious on immediate prospects.

First-half turnover rose to R146.6m (\$93m) from R125.9m, while operating income was R32.1m, against R34.0m in 1983 operating profit was R75m.

Fenwick faces heavy job losses

BY OUR PARIS STAFF

LINDE, the West German engineering group, will more than halve the workforce at Fenwick Manutention if it acquires the bankrupt French forklift truck maker from the receiver.

But last year's deal, which also involved a stake by the Government's Industrial Development Institute and the Fenwick SA parent company, was never carried out completely. Fenwick filed for bankruptcy at the end of last month after a further steady deterioration in its business.

Malay timber group raises pre-tax income

By Wong Sulong in Kuala Lumpur

NORTH BORNEO TIMBERS, a major Malaysian timber group, has surprised the market by reporting a 250 per cent jump in pre-tax profit to 16.4m ringgit (\$7m) for the year ended May 1984.

NORTH AMERICAN QUARTERLIES. Table with columns: Company, Second quarter 1984, Second quarter 1983, Revenue, Net profits, etc. Includes American International, Chicago Pneumatic Tool, Colonial Penn, etc.

ECONOMIC DIARY

MONDAY: Index of output of the production industries (June). Retail sales (July-prov). Local government white-collar pay talks. UN Conference in Mexico...

SHARE STAKES

European Ferries - W. J. Ayers, a director, has sold 117,000 ordinary shares. C. C. Manheim, deputy chairman, has purchased 13,000 ordinary shares at 35p and now holds 18,332 ordinary shares and 36,333 warrants.

Granville & Co. Limited

Table with columns: 1983-84 High Low, Company, Price Change, Gross Yield, P/E, Fully Paid. Lists various companies like Ass. Ent. Ind. Ord, Ass. Ent. Ind. CULS, etc.

Advertisement for LADBROKE INDEX. Text: 'In war, in peace you need his help'. Image of a soldier. Text: 'When help is needed, please help him and his dependants'.

Advertisement for THE ARMY BENEVOLENT FUND. Text: 'A donation, a covenant, a legacy to THE ARMY BENEVOLENT FUND will help soldiers, ex-soldiers and their families in distress'.

Advertisement for MONTAGU. Text: 'MONTAGU UNIT TRUST MANAGERS LTD'. Lists various funds and their performance.

Advertisement for WESTAVON SECURITIES (GUERNSEY) LIMITED. Text: 'WESTAVON SECURITIES (GUERNSEY) LIMITED'. Lists various services and contact information.

Advertisement for HOLIDAY & TRAVEL Advertising. Text: 'HOLIDAY & TRAVEL Advertising appears SATURDAY or WEDNESDAY'. Lists rates and contact information.

Advertisement for CAPITAL STRATEGY FUND LTD. Text: 'CAPITAL STRATEGY FUND LTD'. Lists various funds and their performance.

WORLD STOCK MARKETS

NEW YORK

Table of New York stock market data including AMCO, AMF, AMR Corp, ASA, AVK Corp, etc.

Stock

Table of various stock prices and changes, including Alcoa, Am. Home Prod, Am. Int'l Corp, etc.

Stock

Table of various stock prices and changes, including Alcoa, Am. Home Prod, Am. Int'l Corp, etc.

Stock

Table of various stock prices and changes, including Alcoa, Am. Home Prod, Am. Int'l Corp, etc.

Stock

Table of various stock prices and changes, including Alcoa, Am. Home Prod, Am. Int'l Corp, etc.

Stock

Table of various stock prices and changes, including Alcoa, Am. Home Prod, Am. Int'l Corp, etc.

Stock

Table of various stock prices and changes, including Alcoa, Am. Home Prod, Am. Int'l Corp, etc.

Stock

Table of various stock prices and changes, including Alcoa, Am. Home Prod, Am. Int'l Corp, etc.

Stock

Table of various stock prices and changes, including Alcoa, Am. Home Prod, Am. Int'l Corp, etc.

Stock

Table of various stock prices and changes, including Alcoa, Am. Home Prod, Am. Int'l Corp, etc.

Stock

Table of various stock prices and changes, including Alcoa, Am. Home Prod, Am. Int'l Corp, etc.

Stocks move steadily higher

STOCKS MOVED steadily higher in the first half-hour of trading on Wall Street yesterday, spurred by investor euphoria over continuing signs of moderating economic growth.

WALL STREET

American Express advanced \$2 to \$34. Alleghe Corp, which has put in a bid for Conrail fell \$1 to \$20.

STOCKS MOVED

STOCKS MOVED steadily higher in the first half-hour of trading on Wall Street yesterday, spurred by investor euphoria over continuing signs of moderating economic growth.

AMSTERDAM

Dutch shares were sharply higher in hectic trading, with Wall Street's strong overnight performance and the lower dollar cited as the main factors.

HONG KONG

Stronger speculation of an imminent rise in local interest rates. The successful U.S. Treasury auction of \$4.75bn of 30-year Bonds Thursday signalled a peak-out in U.S. interest rates.

SINGAPORE

Lower on persistent liquidation of a number of local companies. The Straits Times Industrial Index closed 5.53 lower at 983.97 and the S.E. Industrial Commercial Index fell 5.80 to 690.83.

STOCKS MOVED

STOCKS MOVED steadily higher in the first half-hour of trading on Wall Street yesterday, spurred by investor euphoria over continuing signs of moderating economic growth.

STOCKS MOVED

STOCKS MOVED steadily higher in the first half-hour of trading on Wall Street yesterday, spurred by investor euphoria over continuing signs of moderating economic growth.

STOCKS MOVED

STOCKS MOVED steadily higher in the first half-hour of trading on Wall Street yesterday, spurred by investor euphoria over continuing signs of moderating economic growth.

STOCKS MOVED

STOCKS MOVED steadily higher in the first half-hour of trading on Wall Street yesterday, spurred by investor euphoria over continuing signs of moderating economic growth.

STOCKS MOVED

STOCKS MOVED steadily higher in the first half-hour of trading on Wall Street yesterday, spurred by investor euphoria over continuing signs of moderating economic growth.

STOCKS MOVED

STOCKS MOVED steadily higher in the first half-hour of trading on Wall Street yesterday, spurred by investor euphoria over continuing signs of moderating economic growth.

STOCKS MOVED

STOCKS MOVED steadily higher in the first half-hour of trading on Wall Street yesterday, spurred by investor euphoria over continuing signs of moderating economic growth.

STOCKS MOVED

STOCKS MOVED steadily higher in the first half-hour of trading on Wall Street yesterday, spurred by investor euphoria over continuing signs of moderating economic growth.

NEW YORK

Table of New York stock market data including AMCO, AMF, AMR Corp, etc.

Indices

Table of various stock indices and their values.

NEW YORK

Table of New York stock market data including AMCO, AMF, AMR Corp, etc.

NEW YORK

Table of New York stock market data including AMCO, AMF, AMR Corp, etc.

NEW YORK

Table of New York stock market data including AMCO, AMF, AMR Corp, etc.

NEW YORK

Table of New York stock market data including AMCO, AMF, AMR Corp, etc.

NEW YORK

Table of New York stock market data including AMCO, AMF, AMR Corp, etc.

NEW YORK

Table of New York stock market data including AMCO, AMF, AMR Corp, etc.

NEW YORK

Table of New York stock market data including AMCO, AMF, AMR Corp, etc.

NEW YORK

Table of New York stock market data including AMCO, AMF, AMR Corp, etc.

NEW YORK

Table of New York stock market data including AMCO, AMF, AMR Corp, etc.

NEW YORK

Table of New York stock market data including AMCO, AMF, AMR Corp, etc.

NEW YORK

Table of New York stock market data including AMCO, AMF, AMR Corp, etc.

NEW YORK

Table of New York stock market data including AMCO, AMF, AMR Corp, etc.

NEW YORK

Table of New York stock market data including AMCO, AMF, AMR Corp, etc.

NEW YORK

Table of New York stock market data including AMCO, AMF, AMR Corp, etc.

NOTES - Prices on this page are quoted on the individual exchanges and are best traded prices. Ex rights suspended, and Ex dividend, on ex scrip issues, or ex rights.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Pound steady

Sterling and the dollar closed little changed on the foreign exchanges yesterday. The pound opened very firm about 1 cent higher against a weaker dollar but was lower against Continental currencies as London clearing banks cut another 1 per cent from base lending rates.

MONEY MARKETS

Rates fall

Interest rates continued their recent decline on the London money market yesterday, prompting thoughts of another possible cut in clearing bank base rates. The banks responded in the early morning to Thursday's further reduction in Bank of England money market dealing rates, and cut another 1 per cent from base lending rates.

THE POUND SPOT AND FORWARD

Table with columns: Aug 10, Day's spread, Close, One month, Three months, Six months. Includes data for U.S., Canada, Netherlands, Belgium, Denmark, West Germany, Portugal, Spain, Italy, France, Norway, Sweden, Japan, Australia, New Zealand, Switzerland, S.Witz.

LONDON MONEY RATES

Table with columns: Aug 9, 1984, Sterling Certificate of deposit, Interbank, Local Authority Deposits, Finance House Deposits, SDR Deposits, ECU Deposits, Treasury Deposits, Treasury (Buy), Eligible Bank (Buy), Eligible Bank (Sell), First Trade Buy.

OTHER CURRENCIES

Table with columns: Aug 10, \$, £, Note Rates. Includes Argentina, Australia, Brazil, Finland, Greek Drachma, Hong Kong Dollar, Indian Rupee, Kuwaiti Dinar, Luxembourg Franc, Malaysia Ringgit, New Zealand Dollar, Singapore Dollar, South African Rand, U.A.E. Dirham.

THE DOLLAR SPOT AND FORWARD

Table with columns: Aug 10, Day's spread, Close, One month, Three months, Six months. Includes U.K., Ireland, Netherlands, Belgium, Denmark, West Germany, Portugal, Spain, Italy, France, Norway, Sweden, Japan, Australia, New Zealand, Switzerland, S.Witz.

FT LONDON INTERBANK FIXING

Table with columns: One month, Two months, Three months, Six months, Nine months, One year. Includes Local Authority Deposits, Finance House Deposits, SDR Deposits, ECU Deposits, Treasury Deposits.

EURO-CURRENCY INTEREST RATES

Table with columns: Aug 10, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, French Franc, Italian Lira, Belgian Franc, Yen, Danish Krone. Includes Short term, 7 days' notice, 1 month, 3 months, 6 months, One year.

EXCHANGE CROSS RATES

Table with columns: Aug 10, Pound Sterling, U.S. Dollar, Deutsche Mark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc.

WEEKLY PRICE CHANGES

Table with columns: Aug 10, Change, 1984 High, 1984 Low. Includes Metals, Grains, Spices, Oils, Rubber, Sugar, Tin, Zinc, Lead, Copper, Nickel, Wrought Iron, Pig Iron, Steel, Coal, Lignite, Gas, Electricity, Petroleum, Crude Oil, Gas Oil, Fuel Oil, Kerosene, Diesel Oil, Lubricating Oil, Bitumen, Asphalt, Cement, Bricks, Tiles, Glass, Paper, Textiles, Leather, Wood, Timber, Lumber, Plywood, Particleboard, Fibreglass, Composites, Plastics, Rubber, Glass, Paper, Textiles, Leather, Wood, Timber, Lumber, Plywood, Particleboard, Fibreglass, Composites, Plastics.

REVIEW OF THE WEEK

World sugar prices slip to 13-year lows. Dealers said the fall reflected better offering from the Ivory Coast and reports that Nigerian cocoa might start to be shipped again from Lagos.

AMERICAN MARKETS

NEW YORK, August 10. Precious metals came under selling pressure as investors linked to the weakness to currencies and the lack of reaction, reports Hamilton worked in sympathy with precious metals. Copper and aluminium were lower.

COMMODITIES AND AGRICULTURE

World sugar prices slip to 13-year lows

World sugar prices remained depressed this week as a number of factors gave further encouragement to the established downtrend. The London daily raws price ended \$4 down at \$109 a tonne, the lowest level for 13 years.

BASE METALS

Aluminium - Morning: Cash 1887, three months 2011, 12, 11.5, 11, 10.5, 10, 09.5, 09, 08.5. Copper - Morning: Cash 1887, three months 2011, 12, 11.5, 11, 10.5, 10, 09.5, 09, 08.5.

WHEAT

Wheat - Morning: Cash 1887, three months 2011, 12, 11.5, 11, 10.5, 10, 09.5, 09, 08.5.

NEW YORK

NEW YORK, August 10. Precious metals came under selling pressure as investors linked to the weakness to currencies and the lack of reaction, reports Hamilton worked in sympathy with precious metals.

LONDON OIL

London oil prices were steady on August 10, with a lack of activity in the market.

GAS OIL FUTURES

Gas oil futures prices were steady on August 10, with a lack of activity in the market.

INDICES

Financial Times indices were steady on August 10, with a lack of activity in the market.

CHICAGO

Chicago market prices were steady on August 10, with a lack of activity in the market.

SPOT PRICES

Spot prices for various commodities were steady on August 10, with a lack of activity in the market.

TIN

Tin prices were steady on August 10, with a lack of activity in the market.

COCAOA

Cocoa prices were steady on August 10, with a lack of activity in the market.

SOYABEAN MEAL

Soyabean meal prices were steady on August 10, with a lack of activity in the market.

LONDON FUTURE

London futures prices were steady on August 10, with a lack of activity in the market.

LEAD

Lead prices were steady on August 10, with a lack of activity in the market.

POTATOES

Potato prices were steady on August 10, with a lack of activity in the market.

SOYABEAN OIL

Soyabean oil prices were steady on August 10, with a lack of activity in the market.

GOLD MARKETS

Gold prices were steady on August 10, with a lack of activity in the market.

ZINC

Zinc prices were steady on August 10, with a lack of activity in the market.

COFFEE

Coffee prices were steady on August 10, with a lack of activity in the market.

SOYABEAN MEAL

Soyabean meal prices were steady on August 10, with a lack of activity in the market.

GOLD MARKETS

Gold prices were steady on August 10, with a lack of activity in the market.

ALUMINIUM

Aluminium prices were steady on August 10, with a lack of activity in the market.

COFFEE

Coffee prices were steady on August 10, with a lack of activity in the market.

SOYABEAN MEAL

Soyabean meal prices were steady on August 10, with a lack of activity in the market.

GOLD MARKETS

Gold prices were steady on August 10, with a lack of activity in the market.

ALUMINIUM

Aluminium prices were steady on August 10, with a lack of activity in the market.

COFFEE

Coffee prices were steady on August 10, with a lack of activity in the market.

SOYABEAN MEAL

Soyabean meal prices were steady on August 10, with a lack of activity in the market.

GOLD MARKETS

Gold prices were steady on August 10, with a lack of activity in the market.

ALUMINIUM

Aluminium prices were steady on August 10, with a lack of activity in the market.

COFFEE

Coffee prices were steady on August 10, with a lack of activity in the market.

SOYABEAN MEAL

Soyabean meal prices were steady on August 10, with a lack of activity in the market.

GOLD MARKETS

Gold prices were steady on August 10, with a lack of activity in the market.

ALUMINIUM

Aluminium prices were steady on August 10, with a lack of activity in the market.

COFFEE

Coffee prices were steady on August 10, with a lack of activity in the market.

SOYABEAN MEAL

Soyabean meal prices were steady on August 10, with a lack of activity in the market.

GOLD MARKETS

Gold prices were steady on August 10, with a lack of activity in the market.

ALUMINIUM

Aluminium prices were steady on August 10, with a lack of activity in the market.

COFFEE

Coffee prices were steady on August 10, with a lack of activity in the market.

SOYABEAN MEAL

Soyabean meal prices were steady on August 10, with a lack of activity in the market.

GOLD MARKETS

Gold prices were steady on August 10, with a lack of activity in the market.

ALUMINIUM

Aluminium prices were steady on August 10, with a lack of activity in the market.

COFFEE

Coffee prices were steady on August 10, with a lack of activity in the market.

SOYABEAN MEAL

Soyabean meal prices were steady on August 10, with a lack of activity in the market.

GOLD MARKETS

Gold prices were steady on August 10, with a lack of activity in the market.

ALUMINIUM

Aluminium prices were steady on August 10, with a lack of activity in the market.

COFFEE

Coffee prices were steady on August 10, with a lack of activity in the market.

SOYABEAN MEAL

Soyabean meal prices were steady on August 10, with a lack of activity in the market.

LONDON STOCK EXCHANGE

MARKET REPORT

Base-rate cuts prompt another upsurge in Gilts equity leaders also strong and index jumps 19.2

Account Dealing Dates... First Declared Last Account Day... Jul 30 Aug 9 Aug 10 Aug 20 Aug 27 Aug 30 Aug 31 Sept 10 Sept 13 Sept 14 Sept 24

Investment confidence was high in London markets yesterday and Government stocks achieved extraordinary gains—the largest seen so far in the nine-day upsurge—before eventually reacting from the highest levels.

The second cut this week in clearing bank base rates—most leaders reduced their prime lending rates by another 1 percentage point to 11 per cent—was not surprising.

Gilt-edged securities, which began replying late on Thursday to the strength of U.S. bond values, opened sharply higher.

The subsequent announcement of more Government funding via a £750 million of Treasury 101 per cent 1992, payable £30 on tender, brought the customary halt to trading.

Equity market attention was completely absorbed by first-time dealings in Jaguar. Shares of the privatised car manufacturer were heavily traded and the price after opening at 178p, rose to 181p before settling at 179p.

hours to leave many leading shares showing gains of double-figure amounts.

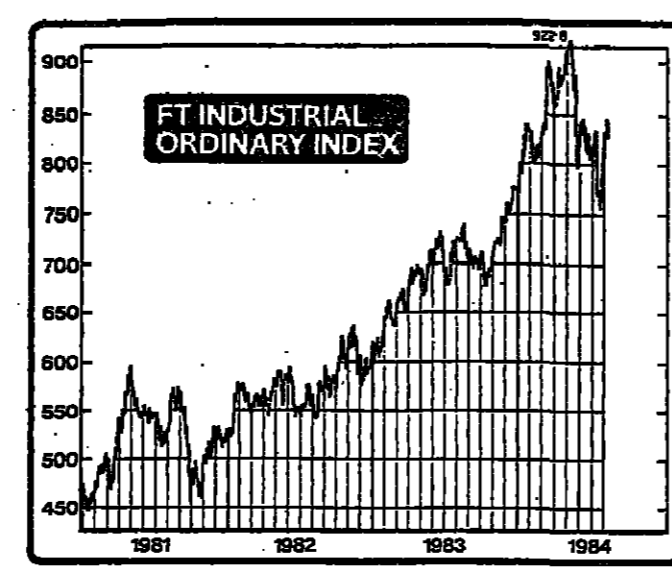
Clearers improve... The major clearing banks edged higher despite the base rate reductions. Barclays firmed 5 to 462p, Midland 7 to 340p and Lloyds 9 to 442p; all three will be quoted ex dividend on Monday.

Composite Insurances remained subdued, sentiment still unsettled by Commercial Union's poor first-half results; CU slipped in 1985 before picking up to close 3 dearer, but still 20p lower on the week at 188p.

U.S. oil and gas exploration companies staged a highly successful market debut; by buyers influenced by the recent rise in crude oil prices, the shares opened with a useful premium of 25 over the offer-for-sale price of 160p and moved up to 220p prior to closing at 205p.

Breweries attracted "new-time" buying, but often finished below best levels. Allied-Lyons, up to 162p at one stage, settled only a penny dearer on balance at 158p, although both Whitehead, 170p, and Bass, 390p, retained gains of 5.

Renewed domestic and U.S. buying of ICI lifted the price to 610p before the close of a net 16 up at 604p. Laporte firmed 7 to a 1984 peak of 340p and Brent added 3 to 101p, the latter aided by Press comment.



buying of ICI lifted the price to 610p before the close of a net 16 up at 604p. Laporte firmed 7 to a 1984 peak of 340p and Brent added 3 to 101p, the latter aided by Press comment.

Hepworth buoyant... The leading Stores finished the week on a firm note as investors continued to glean encouragement from the latest reduction in credit and, hopefully, a consequent increase in consumer spending.

Secondary Stores had their best session for some time, although some gains were often distorted by stock shortage. J. Hepworth was outstanding and advanced 17 to 293p following Press comment highlighting the imminent launch of the "West" menswear chain.

Renewed domestic and U.S. buying of ICI lifted the price to 610p before the close of a net 16 up at 604p. Laporte firmed 7 to a 1984 peak of 340p and Brent added 3 to 101p, the latter aided by Press comment.

another 20 dearer at 505p; Mercury Securities, currently involved in talks with Akroyd about a possible merger when regulations permit, firmed 8 to 485p. Fellow stockjobbers Smith Brothers, reported to hold a non-dissoluble stake in bid target Chubb, advanced 4 to 89p.

Chubb jump on bid... Chubb jumped 61 to 288p on the bid for 228p cash per share from Royal Dutch/Shell which makes the alternative offer of shares and Convertible stock worth 241p per share.

Shell gained ground... Leading Oil shrugged off the disappointing performance which followed Thursday's interim results from Royal Dutch/Shell and Ultramar.

Gold advance... Mining markets responded positively to the latest firm showing by the Indian price and the continuing strength of Wall Street.

Interest in Properties increased and the leaders displayed modest gains. Land Securities firmed 5 to 292p, as did MEPC, to 315p. Peacely came to life and gained 4 to 220p.

Encouraging domestic economic news, the renewed sharp gains on Wall Street and firm metal prices ensured a strong performance by Australians.

The return in London equities was mirrored by Investment Trusts. Alliance led the way with a gain of 16 to 523p following encouraging interim figures, while smaller, but still noteworthy rises were seen for Globe, 257p, Dualinvest, 205p, and Lake View, 242p.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

Table with columns for Equity Groups & Sub-sections, Fri Aug 10 1984, and Highs and Lows Index. It lists various equity groups like Capital Goods, Building Materials, etc., with their respective index values and percentage changes.

FIXED INTEREST

Table showing Average Gross Redemption Yields for various fixed interest instruments like British Government, Insurance, etc., with columns for Price Indices, Fri Aug 10, and Yields.

Table titled 'BRITISH GOVERNMENT INDEX-LINKED STOCKS' showing index values for various government-linked stocks.

Table titled 'EQUITY VALUE BY GROUP' showing base values and percentage changes for various equity groups like Other Industrial Materials, Other Consumer, etc.

NEW HIGHS AND LOWS FOR 1984

Table listing new highs and lows for 1984 across various sectors including British Funds, American Funds, Chemicals, and others.

RISES AND FALLS

Table showing rises and falls in various stock categories like British Funds, Corporate Bonds, etc., with columns for Yesterday and On the week.

ACTIVE STOCKS

Table listing active stocks with columns for Stock, No. of Thrus., and Last Change.

THURSDAY'S ACTIVE STOCKS

Table showing Thursday's active stocks with columns for Stock, No. of Thrus., and Last Change.

5-DAY ACTIVE STOCKS

Table showing 5-day active stocks with columns for Stock, No. of Thrus., and Last Change.

FINANCIAL TIMES STOCK INDICES

Table showing Financial Times Stock Indices for various categories like Government Secs, Fixed Interest, Industrial, etc., with columns for 10 Aug, 9 Aug, 8 Aug, 7 Aug, 6 Aug, 5 Aug, 4 Aug, 3 Aug, 2 Aug, 1 Aug.

HIGHS AND LOWS S.E. ACTIVITY

Table showing Highs and Lows and S.E. Activity for various stock categories like Govt. Secs, Fixed Int., Ind. Ovt., Gold Mines.

LEADERS AND LAGGARDS

Table showing Leaders and Laggards with columns for Stock, Change since Dec 30, 1983, based on Thursday, August 9, 1984.

OPTIONS

Share Information Service... Stewart Nabu, Great Western Resources, St. James' Channel, I. & J. Ryman, Jaguar, Ultra-mar, Flagg, Sound Diffusion, Southern Resources, Velverton, Equitron Oil and Gas and Falcon Resources. Putz were done in August. Call options were taken out in August.

RECENT ISSUES

Table listing recent issues of various stocks with columns for Issue Price, Amount, and Stock.

FIXED INTEREST STOCKS

Table showing fixed interest stocks with columns for Issue Price, Amount, and Stock.

"RIGHTS" OFFERS

Table showing rights offers with columns for Issue Price, Amount, and Stock.

STOCK EXCHANGE DEALINGS

Details of business done below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

STERLING ISSUES BY
Astra Development Ltd 100000 2000
Bank of India 100000 2000

FOREIGN GOVTS
Spain (London) 12000 1988-1991
Sweden (London) 12000 1988-1991

UK PUBLIC BOARDS
Agriculture (London) 10000 1992-1995
British Telecom (London) 10000 1992-1995

STERLING ISSUES BY
Credit Foncier De France 140000 2000
Credit National 130000 1988 (1992)

BANKS, DISCOUNT
Bank of Ireland 200000 1988-1992
Bank of Scotland 200000 1988-1992

LONDON TRADED OPTIONS table with columns for Option, Calls, Puts, and various dates.

COMMERCIAL INDUSTRIAL
AAH Hedges (London) 1000 1992-1995
AAH Hedges (London) 1000 1992-1995

FINANCIAL TRUSTS
Alban Home Int'l 10000 1990-1991
Alban Home Int'l 10000 1990-1991

INSURANCE
Commercial Union 1990-1995
Commercial Union 1990-1995

INVESTMENT TRUSTS
Abereon (London) 1000 1988-1992
Albia Int'l (London) 1000 1988-1992

WATER WORKS
British Waterways 10000 1988-1992
British Waterways 10000 1988-1992

RAILWAYS
Caerleon Pacific 10000 1988-1992
Caerleon Pacific 10000 1988-1992

UTILITIES
British Channel 10000 1988-1992
British Channel 10000 1988-1992

EUROPEAN OPTIONS EXCHANGE table with columns for Series, Vol, Aug, Last, Vol, Last, Vol, Last, Stock.

Rule 163 (4) (a)
Bargains marked in securities where principal market is outside the UK and Republic of Ireland.

MINES-MISCELLANEOUS
Anglo American 1000 1988-1992
Anglo American 1000 1988-1992

MINES-SOUTH AFRICAN
New Central Works 10000 1988-1992
New Central Works 10000 1988-1992

PROPERTY
Africa Property 10000 1988-1992
Africa Property 10000 1988-1992

PLANTATIONS
Anglo-Indonesian 10000 1988-1992
Anglo-Indonesian 10000 1988-1992

RAILWAYS
Caerleon Pacific 10000 1988-1992
Caerleon Pacific 10000 1988-1992

UTILITIES
British Channel 10000 1988-1992
British Channel 10000 1988-1992

WATER WORKS
British Waterways 10000 1988-1992
British Waterways 10000 1988-1992

Advertisement for 'Perhaps the bravest man I ever knew...' featuring a portrait of a man and text about a man who served in the military and is now in need of care.

Various small financial notices and advertisements, including 'Rule 163 (3) Deals for approved companies engaged solely in mineral exploration.'

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as British Group, Abbey Unit Trust, and others, with columns for fund names, managers, and performance metrics.

FT UNIT TRUST INFORMATION SERVICE

Main table of unit trusts including categories like Bond Funds, Equity Funds, and Money Funds, with columns for fund names, managers, and performance data.

INSURANCES

Table listing various insurance companies and their products, including Life Insurance, Fire Insurance, and Marine Insurance.



Lloyds Bank Interest Rates

Lloyds Bank Plc has reduced its Base Rate from 11.5% to 11% p.a. with effect from Friday, 10th August 1984. Other rates of interest are reduced as follows: 7-day-notice Deposit Accounts and Savings Bank Accounts - from 8.5% to 8% p.a.

Table of interest rates for various Lloyds Bank products, including Current Accounts, Savings Accounts, and Deposit Accounts, with columns for account types and interest rates.

INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and overseas funds, including Liberty Life Assurance Co Ltd, National Provident Institution, and others, with columns for fund names and values.

Table listing insurance and overseas funds, including Sars & Procter Group, Target Life Assurance Co Ltd, and others, with columns for fund names and values.

Table listing insurance and overseas funds, including GAI Investments (Ireland) Ltd, Grindley Henderson Mgt Ltd, and others, with columns for fund names and values.

Table listing money funds and bank accounts, including Money Market Trust Funds, Money Market Bank Accounts, and others, with columns for fund names and values.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas funds, including Allianz Investment Fund SA, Allianz International Distribution, and others, with columns for fund names and values.

NOTES - Interest rates given above are a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

FT LONDON SHARE INFORMATION SERVICE

Clear-A-Debt Ltd Credit Management Consultants THE ETHICAL PROFESSIONALS 01-683 0141

BRITISH FUNDS

Table listing various British funds with columns for High/Low, Stock, Price, Yield, and 5-year performance.

Five to Fifteen Years

Table listing funds with performance data over a five to fifteen year period.

Over Fifteen Years

Table listing funds with performance data over more than fifteen years.

Undated

Table listing undated fund information.

Index-Linked

Table listing index-linked funds.

INT. BANK AND O'NEALS GOVT STERLING ISSUES

Table listing international bank and O'Neals government sterling issues.

CORPORATION LOANS

Table listing various corporation loans.

COMMONWEALTH AND AFRICAN LOANS

Table listing commonwealth and African loans.

LOANS

Table listing various types of loans.

Public Bond and Ind.

Table listing public bonds and industrial investments.

FOREIGN BONDS & RAILS

Table listing foreign bonds and rail investments.

AMERICANS

Table listing American stocks.

BEERS, WINES—Cont.

Table listing beer and wine stocks.

DRAPERY & STORES—Cont.

Table listing drapery and store stocks.

ENGINEERING—Continued

Table listing engineering stocks.

BUILDING INDUSTRY, TIMBER AND ROADS

Table listing building, timber, and road stocks.

ELECTRICALS

Table listing electrical stocks.

CANADIANS

Table listing Canadian stocks.

BANKS, HP & LEASING

Table listing banks, hire purchase, and leasing stocks.

CHEMICALS, PLASTICS

Table listing chemicals and plastics stocks.

DRAPERY AND STORES

Table listing drapery and store stocks.

ENGINEERING

Table listing engineering stocks.

INDUSTRIALS (Miscel)

Large table listing various industrial stocks.

HOTELS—Continued

Table listing hotel stocks.

Financial Times Saturday August 11 1984

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

LEISURE—Continued

Table of leisure stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

Commercial Vehicles

Table of commercial vehicle stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

Components

Table of component stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

Garages and Distributors

Table of garage and distributor stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

PROPERTY

Table of property stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

INSURANCE

Table of insurance stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

LEISURE

Table of leisure stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

PROPERTY—Continued

Table of property stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

SHOES AND LEATHER

Table of shoe and leather stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

SOUTH AFRICANS

Table of South African stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

TEXTILES

Table of textile stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

TOBACCO

Table of tobacco stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

FINANCE, LAND, ETC

Table of finance, land, and other stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

PROPERTY

Table of property stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

INSURANCE

Table of insurance stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

LEISURE

Table of leisure stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

OIL AND GAS—Continued

Table of oil and gas stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

OVERSEAS TRADERS

Table of overseas trader stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

PLANTATIONS

Table of plantation stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

TEAS

Table of tea stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

MINES

Table of mine stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

Central Rand

Table of Central Rand mine stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

Eastern Rand

Table of Eastern Rand mine stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

Far West Rand

Table of Far West Rand mine stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

O.F.S.

Table of O.F.S. stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

FINANCE

Table of finance stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

OIL AND GAS

Table of oil and gas stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.



MINES—Continued

Table of mine stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

Central African

Table of Central African mine stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

Australians

Table of Australian mine stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

TINS

Table of tin stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

MISCELLANEOUS

Table of miscellaneous stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

NOTES

Unless otherwise indicated, prices and net dividends are in pence and net dividends are in pence and net dividends are in pence...

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

O.F.S.

Table of O.F.S. stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

FINANCE

Table of finance stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

OIL AND GAS

Table of oil and gas stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including British Airways, British Petroleum, and British Steel, with columns for stock price, high/low, and volume.

RECENT ISSUES AND "RIGHTS" PAGE 20

This service is available to every Company that is on the London Stock Exchange throughout the United Kingdom for a fee of £200 per annum for each security.

